

## 2009 LEGISLATION – ENACTED STATUS SUMMARY REPORT

AUTHOR	CHAPTER	SUBJECT	EFFECTIVE
<p><b>*S.F. 1904:</b> Scheid <b>H.F. 2134:</b> Atkins</p>	<p><b>Chapter 33, Laws 2009</b></p> <p><b>Governor signed: 5/06/09</b></p>	<p><b>COBRA – ARRA Premium Subsidy. Limited extension of continuation election period.</b> Permits involuntarily terminated employees of firms with less than 20 employees who originally turned down the COBRA continuation coverage to elect COBRA again and be eligible for the federal ARRA 65% premium subsidy Conforms Minnesota law to the requirements for “assistance eligible” individuals who are not enrolled in insurance continuation coverage to receive a federal premium subsidy under the American Recovery and Reinvestment Act of 2009. <i>(Amends: 62A.17, by adding a subdivision)</i></p>	<p><b>5-7-09</b></p>
<p><b>*S.F. 245:</b> Berglin, Torres Ray; Lourey; Skogen, Dibble <b>H.F. 286:</b> Clark, Abeler, Hosch, Kahn, Carlson, Davnie, Hayden, Newton</p>	<p><b>Chapter 45, Laws 2009</b></p> <p><b>Governor signed: 5/07/09</b></p>	<p><b>Equal Access to Acupuncture Act.</b> Memorial to Edith R. Davis, Minnesota’s pioneer acupuncturist. Requiring equal access to acupuncture services by certain group policies and subscriber contracts; requiring claim determinations regarding acupuncture services to be made or reviewed by acupuncture practitioners; requiring reporting on referrals to acupuncture practitioners and reimbursement rates. <i>(Amends: 62A.15, subdivision 4, by adding a subdivision; New law in 62D)</i></p>	<p><b>8-1-09</b></p>
<p><b>*S.F. 166:</b> Scheid, Moua, Betzold, Pogemiller, Gerlach <b>H.F. 704:</b> Knuth, Kelliher, Davnie, Davids, Seifert, Fritz, Sanders, Hosch, Winkler, Hilstrom, Brod,</p>	<p><b>Chapter 52, Laws 2009</b></p> <p><b>Governor signed: 5/09/09</b></p>	<p><b>Insurable Interest Act.</b> Prohibiting stranger-originated life insurance (STOLI). Requiring insurable interest, defining insurable interest, specifying prohibited practices; establishing a presumption of STOLI practices under certain conditions; providing for processing change of ownership or beneficiary requests and fraudulent acts; providing remedies; repealing provisions relating to life insurance for the benefit of charity and insurable interests. <i>(Amends: New law in 60A; Repeals 61A.073; 61A.074)</i></p>	<p><b>5-10-09</b></p>

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<b>AUTHOR</b>	<b>STATUS</b>	<b>SUBJECT</b>	<b>EFFECTIVE</b>
Zellers, Peterson, Kahn, Sterner, Bly, Emmer, Slocum			
<b>*S.F. 1611:</b> Sparks, Metzen, Scheid, Gerlach <b>H.F. 1789:</b> Fritz	<b>Chapter 53, Laws 2009</b>  <b>Governor signed: 5/09/09</b>	<b>Nonprofit Insurance Trust. Self-Insurance.</b> Authorizing the Nonprofit Insurance Trust to self-insure against certain liabilities. <i>(Amends: 471.98, subdivision 2; 471.982, subdivision 3)</i>	<b>8-1-09</b>
<b>*S.F. 1539:</b> Gerlach, Scheid <b>H.F. 1719:</b> Atkins, Zellers	<b>Chapter 62, Laws 2009</b>  <b>Governor signed: 5/12/09</b>	<b>Viatical Life Insurance Settlements.</b> Enacting and modifying the Viatical Settlements Model Act of the National Association of Insurance Commissions (NAIC); providing criminal penalties. <i>(Amends: 13.716, subd. 7; 60A.964, subd. 1; New law in 60A; Repeals 60A.961; 60A.962; 60A.963; 60A.965; 60A.966; 60A.967; 60A.968; 60A.969; 60A.970; 60A.971; 60A.972; 60A.973; 60A.974)</i>	<b>8-1-09</b>
<b>SF 1910(Dahle)/HF 2099(Zellers; Atkins; Sterner)</b>	<b>CHAPTER 63, LAWS 2009 Signed Governor: 5/12/2009</b>	<b>Agent Licensing Bill</b> Provisions amending Chapters 45, 60K, 72B, 82, and 82B, and repealing Minnesota Rules Chapters 2808 and 2809	
<b>*H.F. 1362:</b> Huntley <b>S.F. 695:</b> Berglin	<b>Chapter 79 Laws 2009</b>  <b>Governor signed: 5/14/09 Line item veto: page 373, line 11, 2011 appropriation</b>	<b>Omnibus Health and Human Services Appropriations.</b> Requiring the commissioner of human services (DHS) to apply for the maximum allowable federal matching funds under federal law for state expenditures made on behalf of family stabilization services participants engaged in certain food stamp employment. <i>(Amends: Chapters: 60A, 62J and 62Q) (Note: Line item veto: 2<sup>nd</sup> year General Assistance Medical Care (GAMC) appropriation)</i>	<b>Various</b>
<b>Introduced: S.F. 366:</b> Sheran, Koering, Lourey, Cohen, Michel	<b>Chapter 79 Laws 2009 Art. 5, Sec. 19</b>	<b>Minnesota Colorectal Cancer Prevention Act.</b> Colorectal cancer screening demonstration project for the uninsured; establishing medical assistance coverage for individuals diagnosed with colorectal cancer through the demonstration project. <i>(Amends: 256B.057, by</i>	<b>7-1-09</b>

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<b>H.F. 293:</b> Ruud, Norton, Fritz, Davids, Hansen, Hausman, Severson, Hosch, Abeler, Kelliher, Murphy, E., Kahn, Thissen, Bly	<b>Governor signed: 5/14/09</b>	<i>adding a subdivision)</i>	
<b>Introduced:</b> <b>S.F.: 1551;</b> Senjem, Bonoff, Clark, Sieben, Ingebrigtsen <b>H.F. 1811:</b> Slawik, Murphy, E., Otremba, Mack	<b>Chapter 79, Laws 2009 Art. 7, Sec. 25</b>  <b>Governor signed: 5/14/09</b>	<b>Autism Spectrum Disorder (ASD) Joint Task Force.</b> Creating an Autism Spectrum Disorder Task Force; providing appointments; requiring a report.	<b>Appointments 9-1-09</b> <b>First Meeting: 10-1-09</b> <b>First Report: 1-15-10</b> <b>Sunset: 6-30-11</b>
<b>SF 1096</b> <b>2009 Revisor's Bill</b>	<b>CHAPTER 86, LAWS 2009</b> <b>Governor Signed: 5/16/09</b>         <b>SECTION 44</b>	Section 10 62S.01, Subd. 24, <b>Qualified long-term care insurance policy.</b> An incorrect reference to Section 7702B was amended.  Section 11 Written Reminder A reference to 62S.19, subdivision 3 is updated to correct provision § 62S.292, Subd 4.  Section 12 Corrects § 66A.07, Subd 4. <b>Membership interest.</b> An incorrect reference to a statute was updated.  Section 44 Corrects Subd 8, Program established. <b>NOTE:</b> The Revisor bill corrects confusion caused by conflicting bills: 62S.23 Subdivision 8 was amended by Laws 2008, chapter 326, article 1, section 15, and also by Laws 2008 chapter 363, article 17, section 7.	<b>Various</b>

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<b>H. F. 1298:</b> Lenczewski <b>S.F. 1257:</b> Bakk, Ortman	<b>Chapter 88, Laws 2009</b>  <b>Governor signed: 5/16/09</b>	<b>290.0678 HEALTH INSURANCE PREMIUMS CREDIT.</b> Minnesota Statutes 2008, section 290.0678, as added by Laws 2009, chapter 3, section 1, was amended by Article 12, section 4 of Chapter 88: This pertains to employers who offer Section 125 Plans.	<b>5*17-09</b>
<b>*S.F. 203:</b> Kubly, Berglin, Lourey, Koering, Frederickson <b>H.F. 120:</b> Hosch, Seifert, Thissen, Falk	<b>Chapter 97, Laws 2009</b>  <b>Governor signed: 5/16/09</b>	<b>Rural Health Cooperative Arrangements Oversight</b> Health care cooperative arrangement oversight established, access to health care services in rural area increased, new health care cooperatives prohibited unless specifically authorized by law, and money appropriated. <i>(Amends: 13.381, by adding a subdivision; New law in 62R)</i>	<b>7-1-09</b>
<b>*S.F. 1890:</b> Lourey <b>H.F. 1322:</b> Thissen	<b>Chapter 102, Laws 2009</b>  <b>Governor signed: 5/19/09</b>	<b>E-Health Information Technology and Infrastructure.</b> Establishes an e-health advisory committee. Provides for health information technology and infrastructure and electronic health record system revolving account and loan program modifications. <i>(Amends: 62J.495; 62J.496; 62J.497, subdivisions 1, 2)</i>	<b>8-1-09</b>  <b>62J.497, Subd 2 effective 1/1/2011</b>
<b>*H.F. 1744:</b> Hilty, Huntley, Westrom, Abeler, Kelliher, Sterner, Kalin, Hortman <b>S.F. 1600:</b> Rest, Day, Olseen, Lourey, Vickerman	<b>Chapter 131, Laws 2009</b>  <b>Governor signed: 5/21/09</b>	<b>State Technology Accessibility Standards.</b> Creating technology accessibility standards for state government operations; authorizing rulemaking; establishes advisory committee for technology standards for accessibility and usability; requiring a report; appropriating money. <i>(Amends: 16C.02, by adding a subdivision; 16C.03, subdivision 3; 16C.08, subdivision 2; 16E.01, subdivisions 1a, 3, by adding a subdivision; 16E.02, subdivision 1; 16E.03, subdivisions 2, 4; 16E.04, subdivision 1; 16E.07, subdivision 1; New law in 16C; 16E)</i>	<b>7-1-09</b>
<b>*H.F. 417:</b> Atkins, Smith, Mullery, Davnie, Clark, Hilstrom,	<b>Chapter 148, Laws 2009</b>  <b>Governor</b>	<b>Breach of insurance Policy.</b> Providing recovery of damages and attorney fees for breach of an insurance policy; permitting a deceased professional's surviving spouse to retain ownership of a professional firm that was solely owned by the decedent for up to one year after the	<b>Various</b>

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Mahoney <b>S.F. 528:</b> Bakk; Olson, M.; Marty; Sparks, Johnson	<b>signed: 5/22/09</b>	death. <i>(Amends: 319B.02, by adding a subdivision; 319B.07, subdivision 1; 319B.08; 319B.09, subdivision 1; 471.982, subdivision 3; New law in 60A)</i>	
<b>*H.F. 384:</b> Thissen, Rukavina, Abeler, Hosch, Murphy, E, Knuth, Simon, Hornstein <b>S.F. 704:</b> Dahle; Lourey; Sheran; Berglin; Prettner- Solon	<b>Chapter 155, Laws 2009</b>  <b>Governor signed: 5/22/09</b>	<b>E-Health Care Technology. Standards and Tools.</b> Technology standards and tools developed to exchange information electronically between groups, and benefit assignment for health and medical savings accounts required. <i>(Amends: 62J.60, by adding a subdivision; New law in 62J)</i>	<b>8-1-09</b>
<b>*H.F. 1760:</b> Thissen, Thao <b>S.F. 1526:</b> Lourey	<b>Chapter 159, Laws 2009</b>  <b>Governor signed: 5/22/09</b>	<b>Omnibus Health and Human Services Policy</b> Provisions changed for long-term care, adverse health care events, suicide prevention, doula services, developmental disabilities, mental health commitment, alternative care services, self-directed options, nursing facilities, ICF/MR facilities, and data management, safe patient handling plan required, and health department work group and Alzheimer's disease work group established. Continuing care provisions modifications; medical assistance, nursing facilities and data management modifications. <i>(Amends: Chapters: 62A,62M,62Q and 62U) (Note: Contains C-Section Underwriting Requirements; Provider Payment Rates Reporting and Long Term Care Insurance Study)</i>	<b>8-1-09</b>
<b>*H.F. 1988:</b> Murphy, E., Bunn, Loeffler, Liebling, Ruud, Dean <b>S.F. 1924:</b> Berglin	<b>Chapter 173, Laws 2009</b>  <b>Governor signed: 5/22/09</b>	<b>Omnibus Health and Human Services Technical</b> Managed care plan and county-based purchasing plan provider reimbursement rate information report required, and commissioner required to analyze the plans' data. Managed care plan and county-based purchasing plan provider medical assistance (MA) reimbursement rate information annual report requirement <i>(Amends: Chapter: 62J)</i>	<b>7-1-09</b>
<b>*H.F.1853:</b> Atkins, Zellers	<b>Chapter 178, Laws 2009</b>	<b>Department of Commerce Market Assurance</b> Regulating various licenses, forms, certificates, coverage, claims practices, disclosures,	<b>Various</b>

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<b>S.F. 1653:</b> Sparks; Scheid	<b>Governor signed: 5/22/09</b>	notices, marketing practices, and records; classifying certain data; regulating real estate brokers and appraisers; regulating various insurance entities and products, including health, homeowners, motor vehicle insurance, and workers' compensation self-insurance; regulating security broker-dealers; regulating warranty contracts; regulating mortgage originators; sunsets certain state regulation of telephone solicitations; regulating the use of prerecorded or synthesized voice messages; regulating debt management and debt settlement services providers; delaying regulating business screening services; permitting a deceased professional's surviving spouse to retain ownership of a professional firm under certain circumstances. <i>(Amends: Chapters: 60A, 60K, 62A, 62L, 62M, 65A, 65B, 67A, 70A and 70B) (Note: Includes U of M investment data privacy provision)</i>	
<b>Introduced:</b> <b>S.F. 613:</b> Skogen, Gerlach, Scheid <b>H.F. 534:</b> Davids, Atkins	<b>Chapter 178, Laws 2009 Art. 1, Sec. 18-19</b> <b>Governor signed: 5/22/09</b>	<b>Certificates of insurance.</b> Authorizing and regulating the issuance of certificates of insurance. <i>(Amends: 60K.46, by adding a subdivision; New law in 60A.)</i>	<b>8-1-09</b>
<b>*H.F.1853:</b> Atkins, Zellers <b>S.F. 1653:</b> Sparks; Scheid	<b>Chapter 178, Laws 2009 Art. 1, Sec. 22</b> <b>Governor signed: 5/22/09</b>	<b>Notices required by the American Recovery and Reinvestment Act of 2009 (ARRA)</b> Clarifies when the employer or insurer must provide the notification required in 62A.17, subd.5a The employer must notify the health carrier of terminated employees within the later of 10 days after termination or June 8, 2009. For an employer with less than 20 employees, the health carrier must provide notices about the extended election rights and premium reductions to the individual within 30 days after the employer notifies them about terminated employees.	<b>5-23-09</b>

# **AMERICAN RECOVERY and REINVESTMENT ACT OF 2009 (ARRA) & MN COBRA SUBSIDY BILLS**

The American Recovery and Reinvestment Act of 2009 (ARRA) provides a 65% federal subsidy for COBRA premiums for 9 months for individuals/families who involuntarily terminated employment between Sept. 1, 2008 and Dec 31, 2009.

For individuals who terminated employment between Sept. 1, 2008 and Feb. 16, 2009 and who couldn't afford the COBRA premiums, they will be eligible for a second chance to accept COBRA again and receive the 65% premium subsidy, if they were covered under federal COBRA (employers with 20 or more employees).

State's COBRA statute (62A.17) that pertains to employers with less than 20 employees was amended by SF1904 and HF1853 to make MN employees and family members eligible for the second chance federal 65% subsidy.

Additionally, HF1362 will provide a 35% state subsidy for individuals/families that are eligible for the 65% federal subsidy, who elect the COBRA continuation coverage and are eligible for MN public health care programs (MA, MNCare or GAMC).

## **CHAPTER 33, LAWS 2009 Provisions amending MN Statute 62A.17 Signed by the Governor: May 6, 2009**

<b>ARTICLE</b>	<b>SECTION</b>	<b>STATUTE</b>	<b>SUBJECT</b>	<b>EFFECTIVE</b>
1	1	62A.17, subd.5a	<b>Limited extension of continuation election period.</b> Permits involuntarily terminated employees of firms with less than 20 employees who originally turned down the COBRA continuation coverage to elect COBRA again and be eligible for the federal ARRA 65% premium subsidy.	5-7-09

## **CHAPTER 178, LAWS 2009 Provisions amending MN Statute 62A.17 Signed by the Governor: May 14, 2009**

<b>ARTICLE</b>	<b>SECTION</b>	<b>STATUTE</b>	<b>SUBJECT</b>	<b>EFFECTIVE</b>
1	22	62A.17, Subd.5b	<b>Notices required by the American Recovery and Reinvestment Act of 2009 (ARRA)</b> Clarifies when the employer or insurer must provide the notification required in 62A.17, subd.5a The employer must notify the health carrier of terminated employees within the later of 10 days after termination or June 8, 2009. For an employer with less than 20 employees, the health carrier must provide notices about the extended election rights and premium reductions to the individual within 30 days after the employer notifies them about terminated employees.	5-23-09

## 2009 EQUAL ACCESS TO ACUPUNCTURE ACT

SF 245(Berglin)/HF 286(Clark)

CHAPTER 45, LAWS 2009

Provisions amending Chapters 62A and 62D

Signed by the Governor: May 7, 2009

ARTICLE	SECTION	STATUTE	SUBJECT	EFFECTIVE
1	1	62A.15, New Subd. 3b	<b>Acupuncture Services.</b> Provides that the "Equal Access to Acupuncture Act" is a memorial to Edith R. Davis, Minnesota's pioneer acupuncturist, and is intended to provide equal access to benefits for insureds and subscribers who choose to directly obtain treatment for illness or injury from a licensed acupuncture practitioner, as long as the treatment is within the scope of practice. The stated intent is to provide equal access to benefits and not to change or add benefits.	8-1-09
1	2	62A.15, New Subd. 4	<b>Denial of Benefits.</b> A health plan cannot deny payment for benefits that are covered by the plan simply because the service was provided by a licensed acupuncture practitioner. When a health plan denies payment of a claim based on appropriateness, quality, or utilization of acupuncture services, the determination must be made by, or under the direction of, or subject to review by a licensed acupuncture practitioner.	8-1-09
1	3	New 62D.107, Subd. 1	<b>Coverage.</b> Provides equal access to benefits covered by a health maintenance contract (HMO) for enrollees who choose to directly obtain treatment for illness or injury from a licensed acupuncture practitioner, as long as the treatment is within the scope of practice. The stated intent is to provide equal access to benefits and not to change or add benefits.	8-1-09
1	3	New 62D.107, Subd. 2	<b>Denial of Benefits.</b> A health maintenance organization (HMO) cannot deny payment for benefits that are covered by the enrollee's health maintenance contract simply because the service was provided by a licensed acupuncture practitioner. When an HMO denies payment of a claim based on appropriateness, quality, or utilization of acupuncture services, the determination must be made by, or under the direction of, or subject to review by a licensed acupuncture practitioner.	8-1-09



## 2009 "INSURABLE INTEREST ACT."

### CHAPTER 52, LAWS 2009 SF 166

#### Adding Provisions and amending Chapter 60A

Signed by the Governor: May 9, 2009

SECTION	STATUTE	SUBJECT	EFFECTIVE
Section 1	60A.078	[Short Title] provides that the law will be cited as the "Insurable Interest Act."	5/9/09
Section 2	60A.0782	[Definitions] defines "Act," "business entity," "Commissioner," "legitimate settlement contracts," "life expectancy evaluation," "person," "policy," "policyowner," "prospective purchaser," "settlement contract," and "stranger-originated life insurance practices" for purposes of the Act.	5/9/09
Section 3	60A.0783 Subdivision 1	[Insurance Interest Required], (Insurance on Life of Another) prohibits procurement of a policy on the life of another individual unless the benefits are payable to the insured, representatives of the insured's estate, or a person who had an insurable interest at the time the policy was issued.	5/9/09
Section 3	60A.0783 Subdivision 2	(What Constitutes an Insurable Interest) specifies what constitutes an insurable interest with respect to insurance on the life of another.	5/9/09
Section 3	60A.0783 Subdivision 3	(Insured's Own Life) provides that an individual has an insurable interest in the individual's own life. Allows an individual who procures a policy on his own life to designate any person as a beneficiary, provided the policy is not part of an arrangement in violation of this Act.	5/9/09
Section 3	60A.0783 Subdivision 4	(Reliance on Statements) provides that an insurer may rely in good faith on the statements made by an applicant for life insurance with respect to an insurable interest. Absolves an insurer from legal liability if the statements are false.	5/9/09
Section 3	60A.0783 Subdivision 5	(Consent of Insured) provides that a policy upon the life of an individual may not be effectuated unless the individual insured applies for or consents in writing to the policy and its terms. Specifies what constitutes consent.	5/9/09
Section 4	60A.0784	[Prohibited Practices] prohibits the following:	5/9/09

SECTION	STATUTE	SUBJECT	EFFECTIVE
		procurement of a policy in violation of M. S. § 60A.083; engaging in STOLI practices or otherwise wagering on life; <ul style="list-style-type: none"> <li>• soliciting or marketing the purchase of a policy for the purpose of its subsequent sale in the secondary market;</li> <li>• entering into a premium finance agreement in which the lender receives proceeds from the policy, the policyowner, or related agreements that are in addition to the amounts required to pay the principal, interest, and service charges related to policy premiums; and</li> <li>• entering into or offering to enter into a settlement contract prior to issuance of a policy that is the subject of the settlement contract.</li> </ul>	
<b>Section 5</b>	<b>60A.0785 Subdivision 1</b>	<b>[Prohibition; Entry into Settlement Contracts], (Prohibition)</b> prohibits a prospective purchaser of a policy or beneficial interest to enter into a settlement contract at any time prior to issuance of the policy or within four years after issuance, unless the purchaser determines that the following do not exist: (1) agreement, before issuance of the policy, between the insured, policy owner, or owner of a beneficial interest in the policy, and another person, to guaranty liability or purchase the policy or  (2) all or a portion of the policy premiums were funded by means other than the insured's personal assets or by a person who is closely related or who has a substantial economic interest in the life of the insured; and the insured had a life expectancy evaluation within 18 months prior to issuance of the policy, the results of which were shared or used to determine the value of the policy in the secondary market.	5/9/09
<b>Section 5</b>	<b>60A.0785 Subdivision 2</b>	<b>(Certification)</b> requires a prospective purchaser to obtain certification from the broker that the life expectancy exam was not used by or shared with any other person prior to issuance of the policy to determine the value of the policy on the secondary market.	5/9/09
<b>Section 5</b>	<b>60A.0785 Subdivision 3</b>	<b>(Legitimate Insurance Transactions)</b> provides that the Act does not prevent entering into, soliciting, or enforcing payment of proceeds from a legitimate settlement contract. Provides that the Act does not prevent the assignment, sale, transfer, devise, or bequest of a death benefit or ownership of any portion of a policy connected to a legitimate settlement contract.	5/9/09
<b>Section 6</b>	<b>60A.0786</b>	<b>[Presumption of STOLI Practices]</b> , provides that when a	5/9/09

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	<b>Subdivision 6</b>	settlement contract is entered into within the first four years of a policy, a rebuttable presumption of STOLI practices is created if specified conditions exist.	
<b>Section 6</b>	<b>60A.0786 Subdivision 2</b>	<b>(Not Applicable in Criminal Proceedings)</b> provides that the rebuttable presumption does not apply in a criminal proceeding.	5/9/09
<b>Section 7</b>	<b>60A.0787 Subdivision 1</b>	<b>[Processing Change of Ownership or Beneficiary Requests]</b> , requires an insurer to process a request to change the ownership or beneficiary of a policy within thirty days of receipt of the request.	5/9/09
<b>Section 7</b>	<b>60A.0787 Subdivision 2</b>	<b>(Written Questionnaire)</b> authorizes an insurer to require a policyowner to complete a written questionnaire if a request to change ownership or beneficiary occurs within the first four years that the policy is issued. The questionnaire is intended to determine if the change request relates to a settlement contract and if the circumstances described in M. S. 60A.0785 ( <b>Section 5</b> ) are present. Specifies information that must be on the questionnaire.	5/9/09
<b>Section 7</b>	<b>60A.0787 Subdivision 3</b>	<b>(Other Inquiries)</b> provides that this section does not limit an insurer's ability to make other inquiries to detect STOLI practices.	5/9/09
<b>Section 7</b>	<b>60A.0787 Subdivision 4</b>	<b>(Fraternal Benefit Societies)</b> provides that this Act does not prohibit a fraternal benefit society from enforcing its bylaws regarding permitted beneficiaries and owners.	5/9/09
<b>Section 8</b>	<b>60A.0788</b>	<b>[Fraudulent Acts]</b> provides that a person who commits a fraudulent act as defined in this section commits insurance fraud; lists what constitutes a fraudulent act.	5/9/09
<b>Section 9</b>	<b>60A.0789 Subdivision 1</b>	<b>[Remedies], (Actions to Recover Death Benefits)</b> provides that a personal representative of the insured's estate may bring an action to recover death benefits if a beneficiary, assignee, or other payee receives the benefits under a STOLI-initiated life insurance policy or a policy procured in violation of <b>Sections 3 or 5</b> . If a person	5/9/09

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		receives the death benefits as result of a nonwillful violation of the Act, the court may limit the recovery to unjust enrichment; however, if the benefits are received as result of a willful violation the court may award exemplary damages in addition to actual damages. Provides that an action must be brought within two years after the death of the insured.	
<b>Section 9</b>	<b>Subdivision 2</b>	<b>(Enforceability of Contracts)</b> provides that any contract, agreement, arrangement, or transaction prohibited under this Act is voidable.	5/9/09
<b>Section 9</b>	<b>Subdivision 3</b>	<b>(Declaratory Judgment Action)</b> authorizes the insurer to bring a declaratory judgment action to declare the policy void if, prior to payment of the death benefits, the insurer believes the policy was initiated by STOLI practices.	5/9/09
<b>Section 9</b>	<b>Subdivision 4</b>	<b>(Effect on Other Law)</b> provides that the Act does not preempt or limit other civil remedies; preempt the authority or relieve the duty of law enforcement or regulatory agencies; limit the powers of the Commissioner of Commerce, the insurance fraud unit, or the Attorney General; or limit the power of the state to punish a person for conduct that constitutes a crime under other laws of the state.	5/9/09
<b>Section 10</b>		Minnesota Statutes sections 61A.073 and 61A.074 are repealed	
<b>Section 11</b>		<b>[Effective Date]</b> provides that the Act is effective for policies issued on or after the day following final enactment.	5/9/09

**CHAPTER 53—S.F.No. 1611**

*An act relating to insurance; authorizing the Nonprofit Insurance Trust to self-insure against certain liabilities; amending Minnesota Statutes 2008, sections 471.98, subdivision 2; 471.982, subdivision 3.*

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2008, section 471.98, subdivision 2, is amended to read:

Subd. 2. **Political subdivision.** "Political subdivision" includes a statutory or home rule charter city, a county, a school district, a town, a watershed management organization as defined in section 103B.205, subdivision 13, or an instrumentality thereof, including but not limited to instrumentalities incorporated under chapter 317A, having independent policy-making and appropriating authority. For the purposes of this section and section 471.981, the governing body of a town is the town board. The term also includes the Nonprofit Insurance Trust incorporated under chapter 317A and its members incorporated under chapter 317A.

Sec. 2. Minnesota Statutes 2008, section 471.982, subdivision 3, is amended to read:

Subd. 3. **Exemptions.** Self-insurance pools established and open for enrollment on a statewide basis by the Minnesota League of Cities Insurance Trust, the Minnesota School Boards Association Insurance Trust, the Minnesota Association of Townships Insurance and Bond Trust, ~~or~~ the Minnesota Association of Counties Insurance Trust, or the Nonprofit Insurance Trust and the political subdivisions that belong to them are exempt from the requirements of this section and section 65B.48, subdivision 3. In addition, the Minnesota Association of Townships Insurance and Bond Trust and the townships that belong to it are exempt from the requirement to hold the certificate of surety authorization issued by the commissioner of commerce as provided in section 574.15.

Presented to the governor May 6, 2009

Signed by the governor May 9, 2009, 4:07 p.m.

## 2009 VIATICAL SETTLEMENTS ACT

CHAPTER 62, LAWS 2009 SF 1539

Provisions added to M. S. § 60A

Signed by the Governor: May 12, 2009; effective 8/1/2009

Bill to update Minnesota Licensing Regulations applicable to Life Settlements.

*This bill updates previous Viatical Settlements legislation that affected the “terminally ill” and the “chronically ill”. Effective January 1, 1996 Minnesota adopted a Viatical Settlements legislation to provide a regulatory structure to regulate this industry to protect consumers (generally the “terminally ill” and the “chronically ill”) from unfair viatical settlements.*

*The NAIC model was revised in 2000 to address the issue of healthy consumers who might want to sell their insurance policy on the secondary market better known as “life settlements”. NCOIL adopted its Life Settlements Model Act in 2000.*

*This proposal adopts a blend of consumer protection provisions; primarily from both the updated NAIC and the NCOIL Model Acts and affects both “terminally or “chronically ill and healthy consumers who may want to sell their life insurance policy.*

SECTION	STATUTE	SUBJECT	EFFECTIVE
Section 1	13.716, Subd. 7	<b>Viatical settlements data</b> Amends § 13.716 General Insurance Powers Data Coded Elsewhere. (Data Privacy ) [Refer to Section 6 of this Chapter.]	8-1-09
Section 2	60A.957 Subs. 1-21	<b>Definitions</b> This section defines "advertising," "business of viatical settlements," "chronically ill," "commissioner," "financing entity," "fraudulent viatical settlement act," "life insurance producer," "person," "policy," "related provider trust," "special purpose entity," "terminally ill," "viatical settlement broker," "viatical settlement contract," "viatical settlement investment agent," "viatical settlement provider," "viatical settlement purchase agreement," "viatical settlement purchaser," "viaticated policy," and "viator." The definition of "fraudulent viatical settlement act" is added to include presenting false information or concealing material information on a life insurance policy application, during underwriting, on claims, premiums paid, transfers of ownership, reinstatement or conversion, or solicitation or sale of a viatical settlement contract.  The NAIC Model definition of "viatical settlement contract" is expanded to include premium finance loans where the insured (1) agrees at the time of the loan to sell the policy or any portion of its death benefit	8-1-09

SECTION	STATUTE	SUBJECT	EFFECTIVE
		at a later date or (2) receives at the time of the loan a guarantee of a future viatical settlement value of the policy. These amendments carefully exempt from the definition legitimate premium finance loans and contracts founded on traditional insurable interest.	
<b>Section 3</b>	<b>60A.9572</b>	<b>License and Bond Requirements</b> <ul style="list-style-type: none"> <li>• Requires a viatical settlement provider or broker to be licensed in Minnesota and demonstrate evidence of financial responsibility. The commissioner may ask for evidence of financial responsibility at any time the commissioner deems necessary.</li> <li>• Requires viatical settlement brokers to complete six hours of training related to viatical settlements and settlement transactions on an annual basis.</li> <li>• A life insurance producer who is currently licensed for at least one year is not subject to this training requirement and shall be permitted to operate as a viatical settlement broker; if, not later than 30 days from the first day of operating as a viatical settlement broker, the life insurance producer notifies the commissioner that he or she is acting as a viatical settlement broker and pays any applicable fees.</li> <li>• Requires the Commissioner of Commerce to investigate each applicant to determine if the applicant meets specified criteria.</li> <li>• Requires viatical settlement providers and brokers to demonstrate financial responsibility</li> <li>• Requires applicants, if a legal entity, to provide a certificate of good standing from the state of its domicile; and</li> <li>• Requires a viatical settlement provider or viatical settlement broker, to provide an antifraud plan that meets the requirements of section 60A.9583.</li> </ul>	<b>8-1-09</b>
<b>Section 4</b>	<b>60A.9573</b>	<b>License Revocation and Denial</b> This section gives the commissioner authority to suspend, revoke or fail to renew the license of a viatical settlement broker or life insurance producer acting as a viatical settlement broker for violations of this act or otherwise acting in bad faith with one or more viators. Specifies the conditions for which the Commissioner	<b>8-1-09</b>

SECTION	STATUTE	SUBJECT	EFFECTIVE
		may refuse to issue, suspend, revoke, or refuse to renew the license of a viatical settlement provider, broker, investment agent or a life insurance producer.	
<b>Section 5</b>	<b>60A.9574</b>	<b>Approval of Viatical Settlement Contracts and Disclosure Statements</b> Requires prior filing and approval of viatical settlement contract forms or disclosure statement forms before they can be used in Minnesota. It extends the commissioner's authority to disapprove a viatical settlement contract form if it fails to meet other statutory requirements in Section 7, 8, 10, and 11 of this Act.	<b>8-1-09</b>
<b>Section 6</b>	<b>60A.9575</b>	<b>Reporting Requirements and Privacy,</b> <ul style="list-style-type: none"> <li>Requires the viatical settlement provider to file with the insurance commissioner annual statements on or before March 1 of each year. The commissioner may prescribe by regulation the information contained in the annual statement.</li> <li>It also requires the viatical settlement provider to include specific data for each policy viaticated when the viator is a resident of Minnesota.</li> <li>Identity disclosure restrictions. The section addresses confidentiality of information. Provides that information about an insured's identity, financial, or medical statements may not be disclosed except for specified circumstances.</li> </ul>	<b>8-1-09</b>
<b>Section 7</b>	<b>60A.9577, Subd 1</b>	<b>Disclosure to Viator,</b> Viatical settlement brokers and providers are subject to important consumer disclosure requirements that must be made no later than the time the viatical settlement contract is signed.  The disclosures shall be provided in a separate document that is signed by the viator and the viatical settlement provider or viatical settlement broker, and shall disclose the following: <ol style="list-style-type: none"> <li>clearly disclose to policy owners that the broker represents the policy owner, not the viatical settlement provider; and disclose that they owe a fiduciary duty to the policy owner and must act in the policy owner's best interest; and</li> </ol>	<b>8-1-09</b>



SECTION	STATUTE	SUBJECT	EFFECTIVE
		<ol style="list-style-type: none"> <li>2. disclose that some of the viatical settlement proceeds may be taxable;</li> <li>3. The proceeds of the viatical settlement could be subject to the claims of creditors</li> <li>4. disclose that the receipt of the proceeds of a viatical settlement may adversely affect the viator's eligibility for Medicaid or other government benefits or entitlements;</li> <li>5. disclose that the viator has the right to rescind a viatical settlement contract. Rescission, if exercised by the viator, is effective only if both notice of the rescission is given, and the viator repays all proceeds, loans, and loan interest;</li> <li>6. disclose that funds will be sent to the viator within 3 business days after the viatical settlement provider has received the insurer's acknowledgement that ownership of the policy has been transferred and a new beneficiary designated.</li> <li>7. entering into a viatical settlement contract may cause other rights or benefits, including conversion rights and waiver of premium benefits, to be forfeited by the viator;</li> <li>8. disclose that the viator gives consent to his/her medical, financial or personal information to be provided to someone who buys the policy or provides funds for the purchase of the policy;</li> <li>9. disclose that the insured may be contacted to check on his/her health status every 3 months, or in cases where the insured's life expectancy is less than one year, the contact may be made once a month;</li> </ol>	
<b>Section 7</b>	<b>60A.9577, Subd 2</b>	<p><b>Contract disclosures by provider.</b></p> <ul style="list-style-type: none"> <li>• disclose the affiliations, if any between the viatical settlement provider and the issuer of the insurance policy to be viaticated.</li> <li>• disclose in the settlement contract the name, business address, and telephone number of the viatical settlement provider;</li> <li>• disclose any affiliations or contractual arrangements between the viatical settlement provider and the viatical settlement broker;</li> <li>• disclose any affiliations or contractual arrangements between the broker and any person making an offer in connection with the proposed viatical settlement contract;</li> </ul>	

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		<ul style="list-style-type: none"> <li>the viator shall be informed of the possible loss of coverage on the other lives under the policy and shall be advised to consult with the viator's insurance producer or the insurer issuing the policy for advice.</li> <li>state the dollar amount of the current death benefit payable to the viatical settlement provider under the policy or certificate;</li> <li>if funds will be escrowed with a third party during the transfer process, provide the name, business address, and telephone number of the independent third-party escrow agent, and the fact that the viator or owner may inspect or receive copies of the relevant escrow or trust agreements or documents.</li> </ul>	
<b>Section 7</b>	<b>60A.9577, Subd 3</b>	<b>Contract disclosures by broker.</b> <ol style="list-style-type: none"> <li>the name, business address, and telephone number of the viatical settlement broker;</li> <li>a full, complete, and accurate description of all offers, counteroffers, acceptances, and rejections relating to the proposed viatical settlement contract;</li> <li>a written disclosure of any affiliations or contractual arrangements between the viatical settlement broker and any person making an offer in connection with the proposed viatical settlement contracts;</li> <li>the name of each broker who receives compensation and the amount of compensation received by that broker,</li> <li>where any portion of the viatical settlement broker's compensation, is taken from a proposed viatical settlement offer, the broker shall also disclose the total amount of the viatical settlement offer and the percentage of the viatical settlement offer comprised by the viatical settlement broker's compensation.</li> </ol>	
<b>Section 8</b>	<b>60A.9579</b>	<b>General Rules,</b> provides for general rules relating to the viatical settlement provider's duties, such as obtaining documents when entering into a viatical settlement contract from an attending physician that the insured/viator is of sound mind to enter into a viatical settlement contract; that the insured consents to release of his/her medical records; gives written notice	<b>8-1-09</b>

SECTION	STATUTE	SUBJECT	EFFECTIVE
		to the insurer that the policy will be settled and request verification of coverage from the insurer; and that the viatical settlement contract contains a right to rescind the contract	
Section 9	60A.9581	<p><b>Prohibited Practices and Conflicts of Interest</b></p> <p>Section 9 contains consumer protections and addresses disclosures of conflicts of interest. With respect to a viatical settlement contract or insurance policy, a viatical settlement broker may not knowingly solicit an offer from, effectuate a viatical settlement with, or make a sale to any viatical settlement provider, viatical settlement purchaser, financing entity or related provider trust that is controlling, controlled by, or under common control with such viatical settlement broker. A viatical settlement provider is prohibited from engaging in similar actions involving a viatical settlement broker. Any violation of these provisions is deemed a fraudulent viatical settlement act.</p> <p>The section also prohibits a viatical settlement provider from entering into a viatical settlement contract unless the viatical settlement promotional, advertising and marketing materials have been filed with the commissioner. Any such marketing materials may not expressly reference that the insurance is “free” for any period of time. The revisions also include other restrictions on the use of the term “free” in connection with the sale or financing of a life insurance policy.</p>	8-1-09
Section 10	60A.9582	<p><b>Advertising for Viatical Settlements and Viatical Settlements Purchase Agreements,</b></p> <ul style="list-style-type: none"> <li>• <b>Application.</b> Specifies the entities to which the advertising requirements of the section apply.</li> <li>• <b>System of control.</b> Requires every viatical settlement licensee to establish a system of control over the content, form, and method of dissemination of advertisements.</li> <li>• <b>Form and content.</b> Provides that advertisements must be truthful, not misleading, complete, and clear.</li> <li>• <b>False and misleading advertisements.</b> Specifies statements that are false and misleading with respect to viatical settlement advertisements.</li> </ul>	8-1-09

SECTION	STATUTE	SUBJECT	EFFECTIVE
		<ul style="list-style-type: none"> <li>• <b>Disclosures regulated.</b> Describes the way information must be presented with respect to advertisements, testimonials, and endorsements.</li> <li>• <b>Statistics.</b> Requires advertisements to only quote recent and relevant statistics and to identify the source.</li> <li>• <b>Disparaging advertisements.</b> Prohibits disparagement.</li> <li>• <b>Licensee's name.</b> Prescribes how the viatical settlement licensee's name must be identified in advertisements.</li> <li>• <b>Licensee disclosure.</b> Prohibits the use of specified names on advertisements if such names could mislead or deceive.</li> <li>• <b>Government sponsorship; misleading advertisements prohibited.</b> Prescribes that the content and appearance of advertisements cannot be similar to a government program so as to mislead the viator or purchaser.</li> <li>• <b>State Licensure.</b> Regulates advertisements with respect to state licensing.</li> <li>• <b>Government entity endorsement.</b> Prohibits advertisements to create the impression of government recommendation or endorsement.</li> <li>• <b>Name.</b> Requires the name of the licensee to be stated in all advertisements.</li> <li>• <b>Government approval.</b> Prohibits advertisements to create the impression that a division or agency of the state or of the United States government endorses, approves, or favors specified licensees, contracts, and policies.</li> <li>• <b>Time frame disclosure requirements.</b> Requires a disclosure of the average time frame from application to offer and from acceptance to receipt of funds if the advertiser emphasizes speed with which the viatication will occur.</li> <li>• <b>Average purchase price.</b> Requires disclosure of the average purchase price as a percent of the face value obtained by viators contracting with the licensee during the previous six months if the advertiser emphasizes the dollar amounts available to viators.</li> </ul>	
Section	60A.9583	Fraud Prevention and Control,	8-1-09

SECTION	STATUTE	SUBJECT	EFFECTIVE
<b>11</b>		Section 11 relates to fraud prevention and control. (can't commit a "fraudulent viatical settlement act"; can't interfere with enforcement of the provisions of the act; no convicted felons can be in the business of viatical settlements; must provide information of knowledge or suspicion of a fraudulent viatical settlement act to the commissioner; provides for civil immunity; attorney's fees; privileges and immunities; confidentiality; anti-fraud plans).	
<b>Section 11</b>	<b>60A.9583, Subd 1</b>	<b>Fraud Prevention and Control</b> Fraudulent viatical settlement acts, interference, and participation of convicted felons prohibited. (a) A person who commits a fraudulent viatical settlement act commits insurance fraud and may be sentenced under the Minnesota criminal code. (b) A person shall not knowingly or intentionally interfere with the enforcement of the provisions of this chapter or investigations of suspected or actual violations of the Viatical Settlement Act. (c) A person in the business of viatical settlements shall not knowingly or intentionally permit any person convicted of a felony involving dishonesty or breach of trust to participate in the business of viatical settlements.	<b>8-1-09</b>
<b>Section 11</b>	<b>60A.9583, Subd. 2</b>	<b>Fraud warning required.</b> Viatical settlements contracts and purchase agreement forms and applications must contain the following statement:  "Any person who knowingly presents false information in an application for insurance or viatical settlement contract or a viatical settlement purchase agreement is guilty of a crime and may be subject to fines and confinement in prison."	<b>8-1-09</b>
<b>Section 11</b>	<b>60A.9583, Subd. 3</b>	<b>Mandatory reporting of fraudulent viatical settlement acts.</b> Any person engaged in the business of viatical settlements having knowledge or a reasonable suspicion that a fraudulent viatical settlement act is being, will be, or has been committed shall provide to the commissioner such information as required by, and in a manner prescribed by, the commissioner.	<b>8-1-09</b>
<b>Section</b>	<b>60A.9583,</b>	<b>Viatical settlement antifraud initiatives.</b>	<b>8-1-09</b>

SECTION	STATUTE	SUBJECT	EFFECTIVE
<b>11</b>	<b>Subd. 4</b>	Viatical settlement providers and viatical settlement brokers shall have in place viatical settlement antifraud initiatives.	
<b>Section 12</b>	<b>60A.9585</b>	<b>Unfair Trade Practices</b> Provides that a violation of the act, including the commission of a fraudulent viatical settlement act, is considered an unfair trade practice.	<b>8-1-09</b>
<b>Section 13</b>	<b>60A.964, Subd. 1</b>	<b>Amount</b> Provides that the licensing fee for a viatical settlement broker or investment agent is \$750 and \$250 for renewal.	<b>8-1-09</b>
<b>Section 14</b>		<b>Repealer</b> is the Repealer. This section repeals the current Viatical Settlement law, except for the fee requirement.	<b>8-1-09</b>
<b>Section 15</b>		<b>Effective Date; Application</b> Effective date: August 1, 2009. Specifies that a viatical settlement provider, broker, or investment agent transacting business may continue to do so pending approval of application for license as long as the application is filed by December 319 , 2009.	<b>8-1-09</b>

## 2009 LICENSING BILL

SF 1910(Dahle)/HF 2099(Zellers; Atkins; Sterner)

### CHAPTER 63, LAWS 2009

Provisions amending Chapters 45, 60K, 72B, 82, and 82B, and repealing Minnesota Rules Chapters 2808 and 2809

Signed by the Governor: May 12, 2009

SECTION	STATUTE	SUBJECT	EFFECTIVE
1	45.22	<b>License education approval.</b> Changes terminology by replacing “sponsor” with “education provider.”	7-1-10
2	45.23	<b>License education fees.</b> Changes terminology by replacing “sponsor” with “education provider.”	7-1-10
3	45.25	<b>Definitions.</b> Adopts definitions related to license education, including some from Minnesota Rules Chapter 2809, which this bill repeals. Defines “appropriate and related knowledge,” “classroom hour,” “commissioner,” “coordinator,” “education provider,” “encrypted online examination,” “instructor,” “licensee,” “overpayment,” “person,” “proctor,” and “professional designation” for the purposes of Minnesota Statutes Chapter 45 (Commerce General Powers).	7-1-10
4	45.26	<b>Payment of fees.</b> Prohibits cash payment for license fees and limits refunds to overpayments.	7-1-10
5	45.27	<b>Forms.</b> Requires forms to be submitted in the form specified by the commissioner.	7-1-10
6	45.28	<b>Textbooks required.</b> Requires the use of appropriate written materials in prelicense education courses.	7-1-10
7	45.29	<b>Initial education.</b> Specifies that prelicense education students must attend the entire course, complete all assignments, and pass a comprehensive examination in order to receive credit for the course. Requires submission of the course for the commissioner’s approval at least 30 days before the course is initially offered.	7-1-10
8	45.30	<b>Continuing education.</b> Provides that continuing education courses must impart appropriate and related knowledge. Requires an examination for an interactive Internet course and a textbook or syllabus for all courses. Allows qualified instructors to receive triple credit. Provides that certain courses will not receive the commissioner’s approval, including test preparation, sales promotion, and office management courses. Specifies that courses must be approved in advance by the commissioner and allows certain	7-1-10

SECTION	STATUTE	SUBJECT	EFFECTIVE
		courses may receive expedited approval if the provider certifies that the course complies with applicable requirements. Provides that certain insurance courses may be restricted to agents of the company or agency.	
9	45.305	<b>Prelicense education courses offered over the Internet.</b> Requires appraiser and insurance prelicense education courses to be approved by the International Distance Education Certification Center (IDECC). Requires real estate prelicense education courses to be approved by IDECC or the Association of Real Estate License Law Officials. Provides that the final examination must be monitored by a proctor.	7-1-10
10	45.306	<b>Continuing education courses offered over the Internet.</b> Specifies the requirements for Internet continuing education courses, including encryption, technology to guarantee seat time, a high level of interactivity, a process to authenticate the student's identity, and questions that must be answered before the student can proceed to the next part of the course. These are necessary to verify that the student actually attended the entire course. Provides that the final examination must either be encrypted (if online) or monitored by a proctor (if on paper).	7-1-10
11	45.307	<b>Education provider.</b> Provides that education providers must make certain records available to the commissioner.	7-1-10
12	45.31	<b>Course coordinator.</b> Requires an education provider to have a coordinator who supervises the program and ensures compliance with all laws. Specifies the criteria that a coordinator must meet and the responsibilities of a coordinator.	7-1-10
13	45.32	<b>Instructors.</b> Requires qualified instructors for license education courses. Specifies qualifications and responsibilities for instructors.	7-1-10
14	45.33	<b>Prohibited practices for coordinators and instructors.</b> Prohibits various acts by coordinators and instructors, including promoting a particular business, requiring students to participate in other programs, and issuing inaccurate course completion certificates. Requires coordinators to notify the commissioner of disciplinary action taken against the coordinator or an instructor.	7-1-10
15	45.34	<b>Fees.</b> Provides that fees for license education courses must be clearly identified and returned within 15 days if a course is canceled.	7-1-10
16	45.35	<b>Facilities.</b> Provides that classrooms must be large enough to accommodate the number of students	7-1-10



SECTION	STATUTE	SUBJECT	EFFECTIVE
		enrolled in a course. Allows an education provider to limit the number of students enrolled in a course. Prohibits courses, except allowed company-sponsored courses, from being held on the premises of a company doing business in the regulated area.	
17	45.36	<b>Supplementary materials.</b> Provides that students must receive all necessary course materials.	7-1-10
18	45.37	<b>Advertising courses.</b> Specifies requirements for advertising license education courses. Provides that courses may not be advertised as approved until the commissioner's approval has been granted in writing. Provides that courses may be advertised as "approval pending" if that is true. Requires an advertisement to display prominently the number of hours for which the course has been approved.	7-1-10
19	45.38	<b>Notice to students.</b> Requires students to be told at the beginning of a course how many hours of credit they will receive.	7-1-10
20	45.39	<b>Audits.</b> Provides that the commissioner may audit a course with or without prior notice.	7-1-10
21	45.40	<b>Falsification of reports.</b> Provides that a licensee or applicant who falsifies an education report will be subject to license suspension or revocation or denial of the application for licensure. Allows the commissioner to audit a licensee's education records.	7-1-10
22	45.41	<b>Disciplinary action.</b> Allows the commissioner to take disciplinary action against a coordinator or course and disallow an instructor if the coordinator, course, or instructor does not comply with applicable laws.	7-1-10
23	45.42	<b>Waivers and extensions.</b> Allows the commissioner to waive continuing education requirements for up to a year for reasons of physical or medical disability. Allows the commissioner to extend the deadline for completion of continuing education requirements for up to 90 days for reasons of financial or medical hardship. Requires extension requests to be documented and submitted at least days before the education is due. Clarifies that no waiver or extension is available for appraiser license education.	7-1-10
24	45.43	<b>Reporting requirements.</b> Provides that education must be reported within 10 days of the course completion.	7-1-10
25	60K.31, new subd. 3a	<b>Fingerprint.</b> Defines "fingerprint" for the purposes of Minnesota Statutes Chapter 60K (Insurance	7-1-10

SECTION	STATUTE	SUBJECT	EFFECTIVE
		Producers).	
26	60K.36, subd. 4	<b>Course of study.</b> Amends the subdivision to allow insurance prelicense education to be obtained via verifiable self-study. Changes the number of required hours from 30 plus 7.5 per line of authority to 20 per major line of authority. Deletes exemption language that will now appear elsewhere in the chapter.	7-1-10
27	60K.36, new subd. 4a	<b>Exemptions.</b> Provides exemptions from insurance prelicensing education for applicants for a farm property liability or variable life/variable annuity line and applicants with applicable college degrees or professional designations.	7-1-10
28	60K.361	<b>Insurance education.</b> Specifies the required content for insurance prelicensing education.	7-1-10
29	60K.37, new subd. 2a	<b>Criminal history record check; fingerprints.</b> Provides that an applicant for a resident insurance producer license must consent to a criminal history record check and submit a fingerprint card. Authorizes the commissioner to contract for the collection and transmission of fingerprints.	7-1-10
30	60K.55, subd. 2	<b>Licensing fees.</b> Amends the subdivision to change the renewal date for individual insurance producer licenses from a date certain (October 31) to the last day of the producer's birth month. Specifies a phased transition.	7-1-10
31	60K.56	<b>Continuing insurance education.</b> Amends the subdivision to give the commissioner discretion on whether to adopt rules or approve education programs approved by Minnesota Continuing Legal Education. Deletes language concerning nonaccredited courses that will now appear in chapter 45. Changes the number of required continuing education hours from 30 to 24, with 3 of those hours in ethics. Exempts courses that are open to the public from classification as "company-sponsored." Removes the limitation on the number of hours of continuing education that could be completed via "new delivery technology" such as the Internet. Deletes references to specific class areas. Removes a waiver of the continuing education requirements for a licensee who is no longer actively engaged in selling insurance. Removes the option for a person to complete a nonaccredited course and later apply for retroactive approval of it.	7-1-10
32	72B.02, subd. 2	<b>Person.</b> Amends the definition of "person" in Chapter 72B (Insurance Adjusters) to include business entities.	7-1-10
33	72B.02,	<b>Independent adjuster.</b> Amends the definition of	7-1-10

SECTION	STATUTE	SUBJECT	EFFECTIVE
	<b>subd. 5</b>	"independent adjuster" to accord with the NAIC model definition	
<b>34</b>	<b>72B.06, subd. 6</b>	<b>Public adjuster.</b> Amends the definition of "public adjuster" to accord with the NAIC model definition	<b>7-1-10</b>
<b>35</b>	<b>72B.02, subd. 11</b>	<b>Catastrophe.</b> Amends the definition of "catastrophe" to accord with the NAIC model definition.	<b>7-1-10</b>
<b>36</b>	<b>72B.02, new subd. 15</b>	<b>Business entity.</b> Defines "business entity" for the purposes of Minnesota Statutes Chapter 72B (Insurance Adjusters).	<b>7-1-10</b>
<b>37</b>	<b>72B.02, new subd. 16</b>	<b>Fingerprint.</b> Defines "fingerprint" for the purposes of Minnesota Statutes Chapter 72B (Insurance Adjusters).	<b>7-1-10</b>
<b>38</b>	<b>72B.02, new subd. 17</b>	<b>Home state.</b> Defines "home state" for the purposes of Minnesota Statutes Chapter 72B (Insurance Adjusters).	<b>7-1-10</b>
<b>39</b>	<b>72B.02, new subd. 18</b>	<b>Individual.</b> Defines "individual" for the purposes of Minnesota Statutes Chapter 72B (Insurance Adjusters).	<b>7-1-10</b>
<b>40</b>	<b>72B.02, new subd. 19</b>	<b>Insurer.</b> Defines "insurer" for the purposes of Minnesota Statutes Chapter 72B (Insurance Adjusters).	<b>7-1-10</b>
<b>41</b>	<b>72B.02, new subd. 20</b>	<b>Uniform Individual Application.</b> Defines "Uniform Individual Application" for the purposes of Minnesota Statutes Chapter 72B (Insurance Adjusters).	<b>7-1-10</b>
<b>42</b>	<b>72B.02, new subd. 21</b>	<b>Uniform Business Entity Application.</b> Defines "Uniform Business Entity Application" for the purposes of Minnesota Statutes Chapter 72B (Insurance Adjusters).	<b>7-1-10</b>
<b>43</b>	<b>72B.02, new subd. 22</b>	<b>Emergency situation.</b> Defines "emergency situation" for the purposes of Minnesota Statutes Chapter 72B (Insurance Adjusters).	<b>7-1-10</b>
<b>44</b>	<b>72B.03</b>	<b>Licenses.</b> Amends the section to accord with the language of the NAIC model. Exempts various persons from licensure as an insurance adjuster. Replaces the current use of "fields" for adjuster licenses with "lines of authority" and introduces property/casualty, workers' compensation, and crop as the available lines of authority. Provides that a lapsed license may be reactivated within 12 months of expiration by paying double the renewal fee.	<b>7-1-10</b>
<b>45</b>	<b>72B.041</b>	<b>Resident Independent Adjuster License Procedure and Requirements; Examinations; Fees.</b> Requires submission of the appropriate NAIC application form. Specifies the requirements for licensure, including successfully passing an examination. Provides that an applicant for a resident insurance adjuster license must consent to	<b>7-1-10</b>

SECTION	STATUTE	SUBJECT	EFFECTIVE
		a criminal history record check and submit a fingerprint card. Authorizes the commissioner to contract for the collection and transmission of fingerprints. Requires a surety bond for a public adjuster's license. Changes the renewal date for individual insurance adjuster licenses from a date certain (October 31) to the last day of the adjuster's birth month. Specifies a phased transition.	
46	72B.045	<b>Continuing education.</b> Institutes continuing education requirements for insurance adjuster licensees (24 hours biennially, with 3 of those hours in ethics).	7-1-10
47	72B.05	<b>Nonresidents.</b> Amends the section to accord with the language of the NAIC model.	7-1-10
48	72B.06	<b>Catastrophe situations.</b> Amends the section to accord with the language of the NAIC model.	7-1-10
49	72B.08, subd. 1	<b>Causes.</b> Amends the subdivision to accord with the language of the NAIC model.	7-1-10
50	72B.08, subd. 2	<b>Notice.</b> Amends the subdivision to accord with the language of the NAIC model.	7-1-10
51	72B.08, subd. 4	<b>Suspension or revocation of license or permit.</b> Provides for disciplinary action to be taken against a business entity's insurance adjuster license under certain circumstances.	7-1-10
52	72B.105	<b>Records of independent adjusters to be retained.</b> Provides that an independent adjuster must maintain and appropriately retain a copy of each contract with an insurer or self-insurer.	7-1-10
53	72B.106	<b>Standards of conduct of independent adjusters.</b> Provides that an independent insurance adjuster licensee must act ethically and appropriately and comply with all applicable privacy and information security laws.	7-1-10
54	72B.107	<b>Reporting of actions of adjuster.</b> Provides that a licensed independent adjuster must report administrative or criminal actions within 30 days of the final disposition of the matter.	7-1-10
55	72B.135, subd. 1	<b>Insured's right to cancel.</b> Changes terminology by replacing "homeowner" with "insured."	7-1-10
56	72B.135, subd. 2	<b>Writing required; notice of right to cancel; notice of cancellation.</b> Changes terminology by replacing "homeowner" with "insured."	7-1-10
57	72B.135, subd. 3	<b>Return of payments; compensation.</b> Changes terminology by replacing "homeowner" with "insured." Adds 24 hours to the time period for which a public adjuster is entitled to compensation for performing emergency services.	7-1-10
58	72B.136	<b>Escrow or trust accounts.</b> Provides that a public insurance adjuster licensee must deposit funds managed on an insured's behalf in an escrow or	7-1-10

SECTION	STATUTE	SUBJECT	EFFECTIVE
		trust account meeting specified criteria.	
59	82.295	<b>Education; course curriculum.</b> Adopts the required course curriculum for real estate prelicense education from Minnesota Rules Chapter 2809, which this bill repeals.	7-1-10
60	82.32	<b>Licensing: continuing education and instruction.</b> Amends the subdivision to give the commissioner discretion on whether to approve education programs approved by Minnesota Continuing Legal Education. Changes terminology by replacing “sponsor” with “education provider.” Clarifies that an approved prelicense 30-hour broker course may be used for continuing education credit in certain circumstances.	7-1-10
61	82B.021	<b>Definitions.</b> Adopts definitions related to real estate appraisers, including some from Minnesota Rules Chapter 2808, which this bill repeals. Defines “analysis,” “applicant,” “appraisal assignment,” “Appraisal Foundation or foundation,” “appraisal or real estate appraisal,” “appraisal report,” “Appraisal Standards Board,” “Appraiser Qualifications Board,” “Board,” “certified general real property appraiser,” “certified residential real property appraiser,” “commissioner,” “Federal Appraisal Subcommittee,” “federal financial institutions regulatory agency,” “federally related transaction,” “Foundation appraisal organization,” “licensed real property appraiser,” “market analysis,” “person,” “real estate,” “real estate appraiser or real property appraiser,” “real estate related financial transaction,” “real property,” “residential real property or residential real estate,” “standards of professional practice,” “trainee real property appraiser,” “transaction value,” “USPAP,” and “valuation” for the purposes of Minnesota Statutes Chapter 82B (Real Estate Appraisers).	7-1-10
62	82B.05, subd. 1	<b>Members.</b> Updates terminology by replacing “registered” with “trainee.” Makes a technical wording change (“shall” to “must”).	7-1-10
63	82B.08, new subd. 8	<b>Cancellation of license.</b> Adopts language concerning real estate appraiser license cancellation from Minnesota Rules Chapter 2808, which this bill repeals.	7-1-10
64	82B.08, new subd. 9	<b>Reinstatement of license.</b> Adopts language concerning real estate appraiser license reinstatement from Minnesota Rules Chapter 2808, which this bill repeals.	7-1-10
65	82B.08, new subd. 10	<b>Withdrawal of license or application.</b> Adopts language concerning real estate appraiser license or application withdrawal from Minnesota Rules	7-1-10

SECTION	STATUTE	SUBJECT	EFFECTIVE
		Chapter 2808, which this bill repeals.	
66	82B.08, new subd. 11	<b>Failure to renew license.</b> Adopts language concerning real estate appraiser license renewal failure from Minnesota Rules Chapter 2808, which this bill repeals.	7-1-10
67	82B.09, new subd. 3	<b>Fees to federal appraisal subcommittee.</b> Adopts language concerning federal appraisal subcommittee fees from Minnesota Rules Chapter 2808, which this bill repeals.	7-1-10
68	82B.10	<b>Examinations.</b> Amends the section to clarify that both the content of a real estate appraiser licensing examination and its passing score must conform to federal requirements. Adopts additional language concerning real estate appraiser examinations and cheating from Minnesota Rules Chapter 2808, which this bill repeals.	7-1-10
69	82B.13, subd. 4	<b>Certified residential real property appraiser.</b> Amends the subdivision to conform with federal requirements by replacing “introduction to word processing/spreadsheets” with “computer science.”	7-1-10
70	82B.13, subd. 5	<b>Certified general real property appraiser.</b> Amends the subdivision to conform with federal requirements by replacing “introduction to word processing/spreadsheets” with “computer science.”	7-1-10
71	82B.13, subd. 6	<b>All appraiser license levels.</b> Amends the subdivision to conform with federal requirements by specifying that an appraiser prelicense education course must be at least 15 hours long.	7-1-10
72	82B.135	<b>Course completion certificates for real estate appraiser license.</b> Adopts language concerning real estate appraiser continuing education course completion certificates from Minnesota Rules Chapter 2808, which this bill repeals.	7-1-10
73	82B.19, subd. 1	<b>License renewals.</b> Makes a technical wording change (“shall” to “must”). Amends the subdivision to conform with federal requirements by clarifying that an approved real estate appraiser prelicense education course may be taken for continuing education credit, but the 15-hour USPAP course cannot be used to satisfy the 7-hour USPAP update requirement. Amends the subdivision to conform with federal requirements by stating that a licensed real estate appraiser returning from active duty has 90 days to complete any outstanding continuing education requirements.	7-1-10
74	82B.19, subd. 2	<b>Rules.</b> Changes terminology by replacing “sponsor” with “education provider.”	7-1-10
75	82B.195	<b>Standards of conduct.</b> Adopts language concerning real estate appraiser conduct from Minnesota Rules Chapter 2808, which this bill	7-1-10

SECTION	STATUTE	SUBJECT	EFFECTIVE
		repeals.	
76	82B.20	<b>Revocations.</b> Adopts language concerning real estate appraiser license revocations Minnesota Rules Chapter 2808, which this bill repeals.	7-1-10
77	72B.02, subd. 12; 72B.04; and 82B.02; also Minnesota Rules, Chapters 2808 and 2809	<b>Repealer.</b> Repeals an item that is no longer necessary because it defines a term that no longer appears in the amended statute (72B.02, subdivision 12), items that are being replaced with enhanced versions of the same material (72B.04 and 82B.02), and rules that are no longer necessary (Chapters 2808 and 2809) because any material needed from them will now appear in statute.	7-1-10

## 2009 OMNIBUS HEALTH AND HUMAN SERVICES BILL

HF 1362(Huntley)/SF 695(Berglin)

### CHAPTER 79, LAWS 2009

Provisions amending Chapters 60A, 62D, 62J and 62Q

Signed by the Governor: May 14, 2009

ARTICLE	SECTION	STATUTE	SUBJECT	EFFECTIVE
4	1	62J.495	<b>Health Information Technology and Infrastructure.</b> Amends 62J.495, Subdivisions 1, New 1a, 2, 3, 4 and 5.	7-1-09
4	1	62J.495, Subd. 1	<b>Implementation.</b> Changes the name of the Health Information Technology Advisory Committee to the e-Health Advisory Committee. Requires the uniform standards be updated on an ongoing basis and an annual report to the legislature.	7-1-09
4	1	62J.495, New Subd. 1a	<b>Definitions.</b> Defines key terms used in this section including "Certified electronic health record technology"; "Commissioner"; "Pharmaceutical electronic data intermediary"; "HITECH Act"; "Interoperable electronic health record"; and "Qualified electronic health record"..	7-1-09
4	1	62J.495, Subd. 2	<b>E-Health Advisory Committee.</b> Includes the name change for the advisory committee. Modifies matters which the advisory committee will address.	7-1-09
4	1	62J.495, Subd. 3	<b>Interoperable Electronic Health Records</b> Requires the electronic health record to be a "qualified" electronic health record. Makes changes to conform to federal law.	7-1-09
4	1	62J.495, Subd. 4	<b>Coordination with National HIT Activities.</b> Requires that the state update its implementation plan to be consistent with the updated federal HIT strategic plan. Requires the commissioner to coordinate among state, regional, and national efforts to support the effective use of health information technology (HIT). Requires the commissioner to monitor	7-1-09



ARTICLE	SECTION	STATUTE	SUBJECT	EFFECTIVE
			national activity in this area and coordinate state responses and input on related policy. Requires the Departments of Health and Human Services to apply for federal funding to the extent eligible. Requires a report to the legislature as to any recommended policy changes the state should consider.	
4	1	62J.495, Subd. 5	<b>Collection of data for assessment and eligibility determination.</b> Authorizes the commissioner to collect certain data from providers, group purchasers, and others to assess the adoption, effective use, and interoperability of e-health records for a variety of listed purposes.	7-1-09
4	2	62J.496	<b>Electronic Health Record System Revolving Account and Loan Program.</b> Modifies existing loan program to align with the requirements for the federal loan program. Modifies the definition of “eligible borrower” to expand the types of health care providers who are eligible for loans.	7-1-09
4	3	62J.497, Subd. 1	<b>Definitions.</b> Adds a definition of “backward compatible” and modifies the definitions of “e-prescribing” and “NCPDP SCRIPT Standard.”	7-1-09
4	4	62J.497, Subd. 2	<b>Requirements for Electronic Prescribing.</b> Modifies the requirements for e-prescribing.	7-1-09
4	5	62J.497, New Subd. 4	<b>Development and use of uniform formulary exception form.</b> Amends § 62J.497, by adding subd. 4.	7-1-09
4	5	62J.497, New Subd. 4 (a)	<b>Uniform Prior Authorization and Formulary Exception Form.</b> Requires the commissioner of health, in consultation with the Minnesota Administrative Uniformity Committee, to develop by six weeks after enactment of this subdivision, a uniform prior authorization and formulary exception form that allows	7-1-09

ARTICLE	SECTION	STATUTE	SUBJECT	EFFECTIVE
			health care providers to request exceptions from group purchaser drug formularies, including Medicare Part D plans, using a uniform form. Upon development of the form, requires health care providers to submit requests for formulary exceptions using the uniform form, and requires group purchasers to accept this form from health care providers.	
4	5	62J.497, New Subd. 4 (b)	<b>Exception Form Accessibility.</b> Effective January 1, 2011, requires the form to be accessible by health care providers, and accepted and processed by group purchasers, electronically through the Internet.	1-1-11
4	6	62J.497, New Subd. 5	<b>Electronic Drug Prior Authorization Standardization and Transmission.</b> Requires the commissioner of health, with others, to identify a way to standardize drug prior authorization requests. By January 1, 2011, the requests must be accessible and submitted electronically.	1-1-11
4	7	New 62Q.676	<b>Medication Therapy Management.</b> Requires a pharmacy benefit manager to make medication therapy management services available to certain enrollees with chronic medical conditions. Provides a definition of "medication therapy management."	7-1-09
5	1	60A.092, Subd. 2	<b>Licensed Assuming Insurer.</b> For purposes of reinsuring against any health risk, defines an insurer as including a health insurer, service plan corporation and HMO.	7-1-09
5	2	62D.03, Subd. 4	<b>Application Requirements.</b> Makes a conforming change related to reinsurance by HMOs.	7-1-09
5	3	62D.05, Subd. 3	<b>Contracts; Health Services.</b> Allows an HMO to contract with other HMOs, as well as insurers and nonprofit health service plan corporations, for reinsurance. Allows an HMO to	7-1-09

ARTICLE	SECTION	STATUTE	SUBJECT	EFFECTIVE
			provide reinsurance or insolvency insurance coverage to health insurers and nonprofit health plan corporations.	
5	4	62J.692, Section 7	<b>Transfers from the Commissioner of Human Services.</b> Specifies the distribution of MERC-related payments from money transferred from prepaid MA capitation rates in terms of specific dollar amounts, rather than as a percentage of the amount transferred. This is related to the federal limit on state MERC spending.	7-1-09
5	19	256B.057	<p><b>Treatment for colorectal cancer.</b> Amends § 256B.057, by adding subd. 11. (a) Allows state-only funded MA to be paid for individuals who have been screened by the colorectal cancer prevention demonstration project, need treatment for colorectal cancer, meet income guidelines for the project, are under age 65, and are not otherwise eligible for federally funded MA or covered under creditable coverage.</p> <p>(b) Limits MA coverage to services provided during the period during which the individual receives treatment for colorectal cancer.</p> <p>(c) Provides an exemption from MA income and asset standards.</p> <p>(d) Provides that the subdivision expires December 31, 2010.</p>	<p>7-1-2009</p> <p><b>Expires 12-31-2010.</b></p>
7	25	Article 7 Section 25	<p><b>Autism Spectrum Disorder Joint Task Force.</b> Establishes a joint task force of 15 members on autism spectrum disorder.</p> <p>(c) The task force shall develop recommendations and report on the following topics:</p> <p>(1) ways to improve services provided</p>	Various

ARTICLE	SECTION	STATUTE	SUBJECT	EFFECTIVE
			<p>by all state and political subdivisions;</p> <p>(2) sources of public and private funding available for treatment and ways to improve efficiency in the use of these funds;</p> <p>(3) methods to improve coordination in the delivery of service between public and private agencies, health providers, and schools, and to address any geographic discrepancies in the delivery of services;</p> <p>(4) increasing the availability of and the training for medical providers and educators who identify and provide services to individuals with ASD; and</p> <p>(5) treatment options supported by peer-reviewed, established scientific research for individuals with ASD</p> <p>Provides an effective date of July 1, 2009, and an expiration date of June 30, 2011.</p>	

Subd. 2. **Licensed facilities.** (a) The commissioner shall issue transportation permits to import:

(1) indigenous and naturalized species except trout, salmon, catfish, or species on the official list of viral hemorrhagic septicemia susceptible species published by the United States Department of Agriculture, Animal and Plant Health Inspection Services, and sperm from any source to a standard facility;

(2) trout, salmon, catfish, or species on the official list of viral hemorrhagic septicemia susceptible species published by the United States Department of Agriculture, Animal and Plant Health Inspection Services, from a nonemergency enzootic disease area to a containment facility if the fish are certified within the previous year to be free of certifiable diseases, except that eggs with enteric redmouth, whirling disease, or furunculosis may be imported following treatment approved by the commissioner, and fish with bacterial kidney disease or viral hemorrhagic septicemia may be imported into areas where the disease has been identified as being present; and

(3) trout, salmon, catfish, or species on the official list of viral hemorrhagic septicemia susceptible species published by the United States Department of Agriculture, Animal and Plant Health Inspection Services, from a facility in a nonemergency enzootic disease area with a disease-free history of three years or more to a standard facility, except that eggs with enteric redmouth, whirling disease, or furunculosis may be imported following treatment approved by the commissioner, and fish with bacterial kidney disease or viral hemorrhagic septicemia may be imported into areas where the disease has been identified as being present.

(b) If a source facility in a nonemergency enzootic disease area cannot demonstrate a history free from disease, aquatic life may only be imported into a quarantine facility.

Sec. 9. Minnesota Statutes 2008, section 58.05, subdivision 3, is amended to read:

Subd. 3. **Certificate of exemption.** A person must obtain a certificate of exemption from the commissioner to qualify as an exempt person under section 58.04, subdivision 1, paragraph (c), a financial institution under clause (2), or by order of the commissioner under clause (6); or under section 58.04, subdivision 2, paragraph (b), as a financial institution under clause ~~(3)~~ (4), or by order of the commissioner under clause ~~(7)~~ (8).

**Sec. 10.** Minnesota Statutes 2008, section 62S.01, subdivision 24, is amended to read:

Subd. 24. **Qualified long-term care insurance policy.** "Qualified long-term care insurance policy" means a policy that meets the requirements of Section ~~7702(B)~~ 7702B of the Internal Revenue Code, as amended, and this chapter.

**Sec. 11.** Minnesota Statutes 2008, section 62S.292, subdivision 4, is amended to read:

Subd. 4. **Written reminder.** If a policy or certificate is about to lapse, the insurer shall provide a written reminder to the policyholder or certificate holder of his or her right to reduce coverage and premiums in the notice required by section ~~7A(3)~~ of this regulation 62S.19, subdivision 3.

**Sec. 12.** Minnesota Statutes 2008, section 66A.07, subdivision 4, is amended to read:

Subd. 4. **Membership interest.** A domestic mutual insurance company must keep a list of members as part of its books and records. Membership interest in a domestic mutual

insurance company must be uncertificated. A membership interest in a domestic mutual insurance company does not constitute a security as defined in section ~~80A.14, subdivision 18~~ 80A.41(30). No member of a mutual insurance company may transfer or pledge membership in the mutual insurance company or any right arising from the membership except as attendant to the valid transfer or assignment of the member's policy issued by the mutual insurance company. A member of a mutual insurance company is not, as a member, personally liable for the acts, debts, liabilities, or obligations of the company. No assessments of any kind may be imposed upon the members of a mutual insurance company by the directors or members, or because of any liability of any company owned or controlled by the mutual insurance company or because of any act, debt, or liability of the mutual insurance company, except as may otherwise be provided in the company's articles or bylaws. A member's interest in the mutual insurance company shall automatically terminate upon cancellation, nonrenewal, expiration, or termination of the member's policy with the insurance company that gave rise to the member's membership interest.

Sec. 13. Minnesota Statutes 2008, section 116V.01, subdivision 3, is amended to read:

Subd. 3. **Duties.** (a) ~~In addition to the duties and powers assigned to the institutes in section 116O.08,~~ The Agricultural Utilization Research Institute shall:

- (1) identify development opportunities for agricultural products;
- (2) implement a program that identifies techniques to meet those opportunities;
- (3) monitor and coordinate research among the public and private organizations and individuals specifically addressing procedures to transfer new technology to businesses, farmers, and individuals;
- (4) provide research grants to public and private educational institutions and other organizations that are undertaking basic and applied research to promote the development of emerging agricultural industries;
- (5) assist organizations and individuals with market analysis and product marketing implementations;
- (6) to the extent possible earn and receive revenue from contracts, patents, licenses, royalties, grants, fees-for-service, and memberships;
- (7) work with the Department of Agriculture, the United States Department of Agriculture, the Department of Employment and Economic Development, and other agencies to maximize marketing opportunities locally, nationally, and internationally; and
- (8) leverage available funds from federal, state, and private sources to develop new markets and value added opportunities for Minnesota agricultural products.

(b) The Agricultural Utilization Research Institute board of directors shall have the sole approval authority for establishing agricultural utilization research priorities, requests for proposals to meet those priorities, awarding of grants, hiring and direction of personnel, and other expenditures of funds consistent with the adopted and approved mission and goals of the Agricultural Utilization Research Institute. The actions and expenditures of the Agricultural Utilization Research Institute are subject to audit. The institute shall annually report by February 1 to the senate and house of representatives standing committees with jurisdiction over agricultural policy and funding. The report must list projects initiated, progress on projects, and financial information relating to

- (i) a detailed description of the incident which led to the use of physical holding or seclusion;
  - (ii) an explanation of why the procedure chosen needed to be used;
  - (iii) why less restrictive measures failed or were found to be inappropriate;
  - (iv) the time the physical hold or seclusion began and the time the child was released;
  - (v) documentation of the child's behavioral change and change in physical status for each 15-minute interval the procedure is used; and
  - (vi) the names of all staff involved in the use of the procedure and the names of all witnesses to the use of the procedure; and
- (11) if seclusion is used, the room used for the seclusion must:
- (i) be ~~well-lit~~ well-lighted, well-ventilated, and clean;
  - (ii) have an observation window which allows staff to directly monitor a child in seclusion;
  - (iii) have fixtures that are tamperproof, with electrical switches located immediately outside the door;
  - (iv) have doors that open out and are unlocked or are locked with keyless locks that have immediate release mechanisms; and
  - (v) have objects that may be used by a child to injure the child's self or others removed from the child and the seclusion room before the child is placed in seclusion.

Sec. 43. Minnesota Statutes 2008, section 253B.08, subdivision 1, is amended to read:

Subdivision 1. **Time for commitment hearing.** (a) The hearing on the commitment petition shall be held within 14 days from the date of the filing of the petition, except that the hearing on a commitment petition pursuant to section 253B.185 shall be held within 90 days from the date of the filing of the petition. For good cause shown, the court may extend the time of hearing up to an additional 30 days. The proceeding shall be dismissed if the proposed patient has not had a hearing on a commitment petition within the allowed time.

(b) The proposed patient, or the head of the treatment facility in which the person is held, may demand in writing at any time that the hearing be held immediately. Unless the hearing is held within five days of the date of the demand, exclusive of Saturdays, Sundays and legal holidays, the petition shall be automatically ~~discharged~~ dismissed if the patient is being held in a treatment facility pursuant to court order. For good cause shown, the court may extend the time of hearing on the demand for an additional ten days. This paragraph does not apply to a commitment petition brought under section 253B.18 or 253B.185.

Sec. 44. Minnesota Statutes 2008, section 256B.0571, subdivision 8, is amended to read:

Subd. 8. **Program established.** (a) The commissioner, in cooperation with the commissioner of commerce, shall establish the Minnesota partnership for long-term care program to provide for the financing of long-term care through a combination of private insurance and medical assistance.

(b) An individual ~~who meets the requirements in this paragraph is~~ becomes eligible to participate in the partnership program. ~~The individual must by meeting the requirements of either clause (1) or (2):~~

(1) ~~be a~~ the individual may qualify as a beneficiary of a partnership policy that either (i) is issued on or after the effective date of the state plan amendment implementing the partnership plan in Minnesota, or (ii) qualifies as a partnership policy as authorized by the commissioner of commerce under subdivision 6. To be eligible under this clause, the individual must be a Minnesota resident at the time coverage first became effective under the partnership policy; ~~and or~~

(2) ~~be a~~ the individual may qualify as a beneficiary of a partnership policy that (i) is issued on or after the effective date of the state plan amendment implementing the partnership program in Minnesota, or (ii) ~~qualifies as a partnership policy under the provisions of subdivision 8a~~ policy recognized under subdivision 17.

Sec. 45. Minnesota Statutes 2008, section 260.105, is amended to read:

**260.105 SALARIES.**

All salaries and expenses to be paid by the county under the provisions of sections 244.19 and 260.021 to 260.101 ~~260.101~~ 260.042 shall be paid upon certification of the judge of juvenile court or upon such other authorization provided by law.

Sec. 46. Minnesota Statutes 2008, section 260C.446, is amended to read:

**260C.446 DISTRIBUTION OF FUNDS RECOVERED FOR ASSISTANCE FURNISHED.**

When any amount shall be recovered from any source for assistance furnished under the provisions of sections 260C.001 to 260C.421, ~~260C.431, 260C.435,~~ and 260C.441, there shall be paid into the treasury of the state or county in the proportion in which they have respectively contributed toward the total assistance paid.

Sec. 47. Minnesota Statutes 2008, section 270.45, is amended to read:

**270.45 DISPOSITION OF FEES.**

All fees so established and collected shall be paid to the commissioner of finance for deposit in the general fund. The expenses of carrying out the provisions of sections 270.41 to ~~270.53~~ 270.50 shall be paid from appropriations made to the board.

Sec. 48. Minnesota Statutes 2008, section 270.47, is amended to read:

**270.47 RULES.**

The board shall adopt rules necessary to accomplish the purpose of sections 270.41 to ~~270.51~~ 270.50, and shall establish criteria required of assessing officials in the state. Separate criteria may be established depending upon the responsibilities of the assessor. An action of the board in refusing to grant or renew a license or in suspending or revoking a license is subject to review in accordance with chapter 14.

Sec. 49. Minnesota Statutes 2008, section 270.80, subdivision 1, is amended to read:



## CHAPTER 88, HF 1298 -- LAWS 2009

### OMNIBUS PUBLIC FINANCE BILL

Signed by the Governor: May 16, 2009

This summary pertains to the Insurance Impact of this bill.

SECTION	STATUTE	SUBJECT	EFFECTIVE
ARTICLE 12			
Section 4	M. S. § 290.0678	<p>This section amended MS290.0678 by modifying the requirement in subdivision 4 that the employer provide a statement to each employee about insurance premiums paid from a Section 125 Plan.</p> <p><b>Health premiums credit.</b> Replaces the requirement that employers who offer section 125 plans provide statements of premiums to all participating employees to instead require employers to provide statements on request to employees who may be eligible for the health premiums credit. Also provides for a transfer from the health care access fund to the general fund for the amount of the credits. The transfer language was included in language proposed in the 2008 but omitted from Laws 2009, chapter 3, and reflects how the credit is being carried in the Department of Finance fund balance statement.</p> <p>Effective the day following final enactment.</p>	5-17-09

# 2009 Oversight of Rural Health Cooperatives Arrangements

## CHAPTER 97, LAWS 2009 SF 1539

Provisions added to M. S. § 60A

Signed by the Governor: May 22, 2009

SECTION	STATUTE	SUBJECT	EFFECTIVE
1 & 2	13.381	<p><b>CH 97</b> establishes a system for the Commissioner of Health to review and supervise the health care cooperative contractual arrangements entered into under Minnesota Statutes, establishing an application fee; appropriating money; amending Minnesota Statutes 2008, section 13.381, by adding a subdivision.</p> <p>CH 97 adds new law in Minnesota Statutes, chapter 62R to ensure that these arrangements are not in violation of state or federal antitrust law.</p>	7-1-09
	62R.09	<p><b>62R.09 STATE OVERSIGHT AND SUPERVISION. Section 1, subdivision 1,</b> states the intent of this section.</p> <p><b>Subdivision 2, paragraph (a),</b> requires the commissioner to review and authorize contracts and business or financial arrangements between the health care cooperative and its members to provide health care services. This paragraph requires that all contracts and financial arrangements be submitted to the commissioner on an application for approval.</p> <p><b>Paragraph (b)</b> states that the commissioner may request additional information within 30 days after receiving the application for approval. If the commissioner does not request additional information and does not act within 60 days after receiving the application, the application is deemed approved. The commissioner is prohibited from denying an application unless the commissioner determines that the proposed arrangement is likely to result in higher health care costs or diminished access to or quality of health care than would occur in the competitive</p>	

		<p>market.</p> <p><b>Paragraph (c)</b> permits the commissioner to condition approval of the arrangement on the cooperative modifying the arrangement to eliminate any restriction on competition that is not reasonably related to improving access or quality or to protect against abuses of private economic power and to ensure oversight by the state.</p> <p><b>Paragraph (d)</b> requires the commissioner to monitor arrangements that are approved to ensure that they remain in compliance with the terms of the application or any conditions of approval.</p> <p><b>Subdivision 3</b> states what must be included in the application for approval.</p> <p><b>Subdivision 4</b> requires the health care cooperative to submit with the application a fee of \$2,000 to cover the cost of reviewing and monitoring the arrangement.</p>	
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# Health Information Technology and Infrastructure

## CHAPTER 102, LAWS 2009 SF 2082

Signed by the Governor: May 19, 2009

SECTION	SUBJECT	EFFECTIVE
	<p>This bill modifies provision related to health information technology requirements in an effort to align state requirements with the requirements in federal legislation; the American Recovery and Reimbursement Act.</p> <p><b>Health Information Technology and Infrastructure.</b> Amends § 62J.495.</p>	8-1-09
1	<p><b>Subd. 1. Implementation.</b> Changes the name of the Health Information Technology Advisory Committee to the e-Health Advisory Committee. Requires the uniform standards be updated on an ongoing basis and an annual report to the legislature.</p> <p><b>Subd. 1a. Definitions.</b> Defines key terms used in this section.</p> <p><b>Subd. 2. e-Health Advisory Committee.</b> Includes the name change for the advisory committee. Modifies the matters which the advisory committee will address.</p> <p><b>Subd. 3. Interoperable electronic health record requirements.</b> Requires the electronic health record to be a “qualified electronic health record.” Makes changes to conform to federal law.</p> <p><b>Subd. 4. Coordination with national HIT activities.</b> Requires that the state update its implementation plan to be consistent with the updated federal HIT strategic plan. Requires the commissioner to coordinate among state, regional, and national efforts to support the effective use of health information technology (HIT). Requires the commissioner to monitor national activity in this area and coordinate state responses and input on related policy. Requires the Departments of Health and Human Services to apply for federal funding to the extent eligible. Requires a report to the legislature as to any recommended policy changes the state should consider.</p> <p><b>Subd. 5. Collection of data for assessment and eligibility determination.</b> Authorizes the commissioner to collect certain data from providers, group purchasers, and others to assess the adoption, effective use, and interoperability of e-health records for a variety of listed purposes.</p> <p><b>Subd. 6. Data classification.</b> Classifies data collected under this section as private data on individuals or nonpublic data under Minnesota Statutes, chapter 13.02. Prohibits the collection of data and the publication of analyses that identify individuals, and provides that the bill does not authorize the collection of individual patient data.</p>	
2	<p><b>Electronic health record system revolving account and loan program.</b> Amends §62J.496. Modifies existing loan program to align with the requirements for the federal loan program.</p>	
3	<p><b>Definitions.</b> Amends § 62J.497, subd. 1. Adds a definition of “backward compatible” and modifies the definitions of “e-prescribing” and “NCPDP SCRIPT Standard.”</p>	Effective: 1-1-2011
4	<p><b>Requirements.</b> Amends § 62J.497, subd. 2. Modifies the requirements for e-prescribing.</p>	

**CHAPTER 131, LAWS 2009 HF 1744**  
**2009 State Technology Accessibility Standards**  
Signed by the Governor: May 21, 2009

SECTION	SUBJECT	EFFECTIVE
	Amending Minnesota Statutes 2008, sections 16C.02, by adding a subdivision; 16C.03, subdivision 4; 16C.08, subdivision 2; 16E.01, subdivisions 1a, 3; 16E.02, subdivision 1; 16E.03, subdivisions 2, 4, by adding subdivisions; 16E.07, subdivision 1; Laws 2009, chapter 37, article 2, section 3, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 16E.	<b>7-1-09</b>
<b>1</b>	<b>Definitions.</b> Defines the terms “accessibility” and “accessible.”	
<b>2</b>	<b>Acquisition authority.</b> Authorizes the commissioner of administration to require other state agencies to participate in development of enterprise procurements, including product standards and application of accessibility standards.	
<b>3</b>	<b>Duties of contracting agency; professional/technical contracts.</b> Amends the law governing state agency professional/technical service contracts by adding a requirement that agencies seeking approval of a contract must describe accessibility measures that will be used to monitor contract performance.	
<b>4</b>	<b>Responsibilities; Office of Enterprise Technology.</b> Requires the Office of Enterprise Technology (OET) to provide leadership on information and telecommunications technology accessibility.	
<b>5</b>	<b>Duties; Office of Enterprise Technology.</b> Requires OET, with respect to state technology systems, to manage and direct compliance with accessibility standards.	
<b>6</b>	<b>Definitions.</b> Defines terms for purposes of laws governing OET.	
<b>7</b>	<b>Office of Enterprise Technology.</b> Requires OET to have staff with training in accessibility.	
<b>8</b>	<b>Chief information officer.</b> Requires the OET chief information officer to establish and enforce compliance with technology accessibility standards.	
<b>9</b>	<b>Evaluation procedure.</b> Requires the process for evaluating state agency information and communication projects to assess accessibility of the projects.	
<b>10</b>	<b>Accessibility standards.</b> Requires the chief information officer in OET to develop accessibility standards applicable to state technology, software, and hardware procurement, with the exception of infrastructure hardware. Provides that the standards must not impose an undue burden on the state. Provides that OET shall require state agencies to adhere to the standards unless an exception is approved. Provides that, except as provided, the standards must incorporate specified federal laws. Authorizes OET to modify standards if a standard would impose an undue burden on the state. Requires the standards to apply to information technology procured,	

	developed, or substantially modified or enhanced after the standards are adopted. Provides that the standards do not apply to procurement or development initiated before the standards are adopted.	
11	<b>Exceptions to accessibility standards.</b> Authorizes OET to grant exceptions to standards, in accordance with the advisory committee process in this bill.	
12	<b>Development.</b> Requires OET to develop and enforce accessibility standards for state agencies to follow in developing and purchasing information and telecommunications technology systems.	
13	<b>Advisory committee for technology standards.</b> Creates a ten-member Advisory Committee for Technology Standards for Accessibility and Usability. Requires the committee to perform specified duties relating to accessibility of information technology and telecommunications systems. Provides a June 30, 2011, sunset date for the committee.	
14	<b>Definitions.</b> Adds the word “accessible” to the description of core services to be provided on the state’s North Star website.	
15	<b>Repeal of prior appropriation.</b> Repeals an appropriation made earlier in 2009 for the same purpose as the appropriation in a later section of this bill, to avoid duplicative appropriations for the same purpose.	
16	<b>Advisory committee.</b> Requires initial appointments to the technology standards advisory committee to be made by August 1, 2009, and requires the initial meeting to be held by September 1, 2009.	
17	<b>Fund/Appropriation.</b> Appropriates money from the telecommunications access fund to OET for coordinating technology accessibility, to the Commission of DeafBlind and Hard of Hearing Minnesotans to provide information on their website in American Sign Language, and to the Legislative Coordinating Commission for a pilot project to provide captioning of live streaming of legislative session on the commission’s website. Provides that up to \$276,000 of specified ARRA money must be transferred to the Department of Administration and OET to develop and implement technology accessibility standards to expand employment outcomes for individuals with disabilities.	
18	<b>Effective date. 7-1-2009</b>	

## CHAPTER 148, LAWS 2009 SF 417

Signed by the Governor: May 22, 2009

SECTION	STATUTE	SUBJECT	EFFECTIVE
1	60A.0811	<p>Breach of insurance policy; recovery of damages and attorney fees</p> <p>Subd. 1. <b>Definitions.</b></p> <ul style="list-style-type: none"><li>• Defines "insurance policy" as a commercial or professional policy other than one that is a worker's compensation policy, a health policy, a life or disability income policy, or a (property insurance) policy issued by a township mutual or farmer's mutual insurance company.</li><li>• Defines "insured" as any named insured, additional insured, or insured.</li><li>• Defines "insurer" to mean any insurer doing business in this state, whether permitted to or not, except the joint underwriting association or a township or farmers mutual</li></ul> <p>Subd. 2. <b>Interest.</b></p> <p>An insured who prevails in any claim against an insurer based on the insurer's breach or repudiation of, or failure to fulfill, a duty to provide services or make payments is entitled to recover 10 percent per annum interest on monetary amounts due under the insurance policy, calculated from the date the request for payment of those benefits was made to the insurer.</p> <p>(b) Punitive damages or damages for nonmonetary losses are not recoverable under this section.</p> <p>Subd. 3. <b>Application.</b></p> <p>This section applies to a court action or arbitration proceeding, including an action seeking declaratory judgment.</p>	8-1-2009
2	319B.02, Subd 21a	<p><b>Surviving Spouse</b></p> <p>Permitting a deceased professional's surviving spouse to retain ownership of a professional firm that was solely owned by the decedent for up to one year after the death.</p>	5-23-2009
3	319B.07, Subd 1	<p>Ownership of interests of a deceased professional's surviving spouse limited to one year after the death of the professional.</p>	5-23-2009
4	319B.08	<p>Ownership interests of a deceased professional's surviving spouse limited to one year after the death of the professional</p>	5-23-2009
5	319B.09	<p><b>Governance Authority</b></p> <p>A surviving spouse must comply with all requirements of this chapter, except those clearly inapplicable to a firm owned and governed by a surviving spouse who is not a professional of the same type as the surviving spouse's decedent.</p>	5-23-2009
6	471.982, Subd. 3	<p><b>Exemptions:</b></p> <p>The exemptions provided by this law are extended to include the requirements of Section 1 of this Chapter (60A.0811.)</p>	

**CHAPTER 155—H.F.No. 384**

*An act relating to health; developing technology standards and tools to exchange information electronically between groups.*

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **DEVELOPING TECHNOLOGY STANDARDS AND TOOLS.**

The commissioner of health, in consultation with the Minnesota Administrative Uniformity Committee and the commissioner of human services, shall study and make recommendations on the feasibility of and barriers to simplifying health care administrative transactions through electronic data interchange. The study shall include:

(1) recommendations regarding the feasibility of and barriers to establishing a single, standardized system for all group purchasers for health care administrative transactions and notification, preauthorization, or service notification, and retroactive denial through electronic data interchange, identifying a range of potential technologies to accomplish this purpose;

(2) recommendations regarding the relationship of technologies to the e-prescribing requirements of Minnesota Statutes, section 62J.497;

(3) recommendations for ensuring that any use of technologies by providers and group purchasers is consistent with national standards;

(4) an analysis of the readiness of providers and group purchasers to implement appropriate technologies and comply with technology requirements already required by law; and

(5) recommendations for prioritizing the implementation of specific technologies in relation to provider and health plan efforts to meet the requirements of Minnesota Statutes, section 62J.536, to meet the administrative requirements of Minnesota Statutes, section 62J.497, to meet federal requirements for transitioning from ICD-9 to ICD-10, and to comply with federal changes to the Code of Federal Regulations, title 45, part 162.

Presented to the governor May 20, 2009

Signed by the governor May 22, 2009, 7:44 a.m.



# 2009 HEALTH AND HUMAN SERVICES POLICY BILL

HF 1760(Thissen)/SF 1526(Lourey)

## CHAPTER 159, LAWS 2009

Provisions amending Chapters 62A, 62M, 62Q and 62U

and the Long Term Care Insurance Workgroup

Signed by the Governor: May 22, 2009

ARTICLE	SECTION	STATUTE	SUBJECT	EFFECTIVE
1	1	62A.65, Subd. 4	<b>Gender Rating Prohibited.</b> Provides that no health carrier may refuse to initially offer, sell, or issue an individual health plan to a state resident solely on the basis that the individual had a previous cesarean delivery.	8-1-09
1	2	62M.09, Subd. 3a	<b>Mental Health and Substance Abuse Reviews.</b> Allows any final determination not to certify treatment to be made by a psychiatrist certified by the American Board of Psychiatry and Neurology and appropriately licensed in this state or by a doctoral-level psychologist licensed in Minnesota if the treating provider is a psychologist.	8-1-09
1	3	62Q.525, Subd. 2	<b>Definitions.</b> Amends the definition of "Standard reference compendia" to be any authoritative compendia as identified by the Medicare program for use in the determination of a medically accepted indication of drugs and biologicals used off-label.	8-1-09
1	4	62U.01, Subd. 8	<b>Health Plan Company.</b> "Health plan company" is defined in 62Q.01, subd. 4. For the purposes of this chapter, "health plan company" includes county-based purchasing arrangements authorized under 256B.692.	8-1-09
1	5	62U.09, Subd. 2	<b>Members.</b> Adds one member each to be appointed by the Minnesota Psychological Association; and by the Minnesota Chiropractic Association to the 16 member Health Care Review Council.	8-1-09
1	108	Rider (See also: 43A.318, Subd. 2)	<b>Study of Allowing Long-Term Care Insurance To Be Purchased By Local Government Employees.</b> MMB in conjunction with AFSCME, MAPE, LMC and AMC to study allowing local government employees to purchase long term care insurance under 43A.318.	Report Due: 2-15-10

## 2009 HEALTH AND HUMAN SERVICES TECHNICAL BILL

HF 1988(Murphy, E.)/SF 1924(Berglin)

CHAPTER 173, LAWS 2009

Provisions amending Chapter 62J

Signed by the Governor: May 22, 2009

ARTICLE	SECTION	STATUTE	SUBJECT	EFFECTIVE
3	1	62J.2930, Subd. 3	<b>Consumer Information.</b> The information clearinghouse, or another entity designated by the commissioner, is directed to provide consumer information to health plan company enrollees and that function will not interfere with services of the ombudsman programs.	7-1-09
1	1	62J.497, Subd. 5	<b>Electronic Drug Prior Authorization Standardization and Transmission.</b> By January 1, 2011, drug prior authorization requests must be accessible and submitted by health care providers, and accepted by group purchasers, electronically through secure electronic transmissions.	1-1-11

# MINNESOTA DEPARTMENT OF COMMERCE INSURANCE OMNIBUS BILL 2009

HF 1853(Atkins)/SF 1653(Sparks)  
CHAPTER 178, LAWS 2009  
Signed by the Governor: May 22, 2009

SECTION	STATUTE	SUBJECT	EFFECTIVE
ARTICLE 1			
1	45.011, Subd. 1	<b>Scope.</b> Enhances the powers of the Commissioner to regulate group health, dental, or long-term disability coverage program provided by one or more service cooperatives and political subdivisions.	8-1-09
2	45.0135, Subd. 7	<b>Assessment.</b> Extends the assessment for the insurance fraud prevention account to surplus lines carriers and to those carriers having Minnesota earned premium during the previous calendar year.	1-1-10
3	58.02, Subd. 17	<b>Person in control.</b> Amends the definition of "Person in control" in Ch. 58, Mortgage Originator and Servicer Licensing to include "owners or officers".	8-1-09
4	59B.01	<b>Scope and Purpose.</b> Provides that all warranty service contracts are deemed to be made in Minnesota for the purpose of arbitration.	8-1-09
5	60A.08, New Subd. 15	<b>Classification of Insurance Filings Data.</b> Provides that specified insurance filings data is nonpublic until the filings become effective.	8-1-09
6	New 60A.1755	<b>Agent Errors and Omissions Insurance; Choice of Source.</b> Adds language to state that an insurance company shall not require an insurance agent to maintain insurance coverage for the agent's errors and omissions from a specific insurance company.	8-1-09
7	60A.198, Subd. 1	<b>License Required.</b> Modifies licensing requirements with respect to surplus lines insurance.	8-1-09
8	60A.198, Subd. 3	<b>Procedure for Obtaining License.</b> Modifies licensing requirements with respect to surplus lines insurance.	8-1-09
9	60A.201, Subd. 3	<b>Unavailability of other coverage; presumption.</b> Regarding Surplus Lines. This section is amended by deleting the requirement for a list of unavailable coverage's to be maintained by the commissioner.	8-1-09
10	60A.205, Subd. 1	<b>Authorization.</b> Changes compensation requirements to apply equally to resident and nonresident surplus lines agents.	8-1-09
11	60A.2085, Subd. 1	<b>Association Created; Duties.</b> Provides that the Surplus Lines Association of Minnesota is not a state agency for purposes of Chapter 16A (Department of Finance), 16B (Department of Administration), 16C (State Procurement), and 43A (State Employment) and that the Association is not subject to the requirements of section 60A.208 (Licensee Association). Specifies the organization and duties of the Surplus Lines Association of Minnesota.	8-1-09
12	60A.2085, Subd. 3	<b>Plan of Operation.</b> Provides that the Surplus Lines Association of America's plan of operation shall provide for its formation, operation, and governance as a nonprofit corporation..	8-1-09
13	60A.2085, Subd. 7	<b>Stamping Fee.</b> Removes the requirement that the stamping fee paid by an insured to a surplus lines licensee must be paid electronically and allows the Surplus Lines Association of Minnesota to decide how it should be paid.	8-1-09
14	60A.2085, Subd. 8	<b>Data Classification.</b> Provides that social security number information obtained by the Surplus Lines Association of Minnesota is private data.	8-1-09
15	60A.23, Subd. 8	<b>Self-Insurance or Insurance Plan Administrators Who Are Vendors of Risk Management Services.</b> Modifies	8-1-09

		the definition of "self-insurance or insurance plan" by adding "pharmacy benefits". Intent is to require pharmacy benefit managers (PBM) to be licensed as a TPA.	
16	60A.235	<b>Standards for Determining Whether Contracts are Health Plan Contracts or Stop Loss Contracts.</b> Modifies requirements with respect to stop loss health plan policies to be consistent with the National Association of Insurance Commissioners (NAIC) Model Act.	8-1-09
17	60A.32	<b>Rate Filing for Crop Hail Insurance.</b> Requires an insurer that issues insurance policies against crop damage by hail to file its insurance rates with the Commissioner of Commerce using an expedited filing procedure as specified.	8-1-09
18	New 60A.39	<b>Certificates of Insurance.</b> The new requirement has been adopted to set forth a standard treatment for the use of Certificates of Insurance in regard to the following: The Issuance, Approval, Required Statements, Cancellation Notice, Filing Requirements, and Opinion letters. The purpose of a certificate of insurance is to provide evidence of insurance coverage and the amount of insurance issued.	8-1-09
19	60K.46, New Subd. 8	<b>Certificates of insurance.</b> A new prohibition is added to the "Required and Prohibited Acts section such that an insurance producer shall not issue a certificate of insurance that alters coverage or exceeds the statutory notice requirement to a policyholder.	8-1-09
20	62.011, Subd. 3	<b>Health Plan.</b> Modifies the definition of "health plan" by specifying that it does not include coverage that is designed solely to provide hearing care.	8-1-09
21	62A.136	<b>Hearing, Dental, and Vision Plan Coverage.</b> Provides that specified state mandates do not apply to health plans that provide hearing coverage only.	8-1-09
22	62A.17, New Subd. 5b	<b>Notices required by the American Recovery and Reinvestment Act of 2009 (ARRA).</b> Provides additional clarification of the Minnesota notice requirements for terminated employees subject to assistance with regard to a continuation of insurance. Minnesota law conformed to the requirements necessary for assistance eligible individuals who are not enrolled in continuation coverage to receive a federal premium subsidy under the American Recovery and Reinvestment Act of 2009. (See also CH 33 -HF2138 2009)	5-23-09
23	62A.3099, Subd. 18	<b>Medicare Supplement Policy or certificate.</b> Amends the definition of a Medicare Supplement policy or certificate to include supplements to Medicare Advantage Plans established under Medicare Part C.	8-1-09
24	62A.31, Subd. 1	<b>Policy Requirements.</b> Amends the policy requirements of Medicare Supplements to apply to supplements to Medicare Advantage Plans established under Medicare Part C.	8-1-09
25	62A.31, New Subd. 8	<b>Prohibition Against Use of Genetic Information and Requests for Genetic Information.</b> Adds Language to prevent Genetic Discrimination in Medigap coverage. Expands the scope of this law to apply to Medicare supplement policies.	5-21-09
26 to 30		<b>NAIC Medigap Model Law</b> The conference report of the Medicare, Prescription Drug, Improvement and Modernization Act of 2003 (MMA) requires the NAIC to modernize the NAIC Medigap Model laws. Sections 26 - 30 represent the Minnesota version of the NAIC Medigap Model law.	6-1-10
26	62A.315	<b>Extended Basic Medicare Supplement Plan; Coverage.</b> Removes extended basic Medicare supplement plan coverage requirements related to at-home recovery benefits. Provides coverage of cost sharing for all Medicare Part A eligible hospice and respite care expenses and for Medicare Part A or B home health care services and medical supplies.	6-1-10

27	62A.316	<b>Basic Medicare Supplement Plan; Coverage.</b> Requires the basic Medicare supplement plan to provide coverage of cost sharing for all Medicare Part A eligible hospice and respite care expenses and for Medicare Part A or B home health care services and medical supplies subject to the Medicare Part B deductible amount. Provides that specified benefit riders must now be offered with the Basic plan instead of having riders to be optionally offered.	6-1-10
28	New 62A.3163	<b>Medicare Supplement Plan with 50 Percent Part A Deductible Coverage.</b> Specifies the level of coverage that the Medicare supplement plan with 50 percent Part A deductible coverage must provide.	6-1-10
29	New 62A.3164	<b>Medicare Supplement Plan with \$20 and \$50 Co-Payment Medicare Part B Coverage.</b> Specifies the level of coverage that the Medicare supplement plan with \$20 and \$50 co-payment Medicare Part B coverage must provide.	6-1-10
30	New 62A.3165	<b>Medicare Supplement Plan with High Deductible Coverage.</b> Specifies the level of coverage that the Medicare supplement plan with high deductible coverage must provide. Requires the plan to pay 100 percent coverage upon payment of the annual high deductible and specifies the composition of the deductible.	6-1-10
31	62L.02, Subd. 26	<b>Small Employer.</b> Modifies the definition of "small employer" by clarifying that it is engaged in business in Minnesota for purposes of the Minnesota Small Employer Health Benefit Act.	8-1-09
32	62M.05, Subd. 3a	<b>Standard Review Determination.</b> Modifies notification requirements with respect to health care determinations made by a utilization review organization..	8-1-09
33	65A.27, Subd. 1	<b>Scope.</b> Corrects an error with respect to the section of law that relates to homeowner's insurance definition scope by adding 65A.301 (adult foster care services) and 65A.302 (flood insurance coverage).	8-1-09
34	65A.29, New Subd. 13	<b>Notice of possible cancellation.</b> Regarding Homeowners insurance. A written notice must be provided to all applicants for homeowners' insurance at the time the application is submitted informing the applicant that the homeowner's insurer can cancel anytime during the first 60 days of the policy.	1-1-10
35	65B.133, Subd. 2	<b>Disclosure to Applicants.</b> Regarding Automobile insurance. Requires disclosure to applicants for car insurance of a surcharge disclosure statement or written notice of the statement's availability on the insurer's website.	8-1-09
36	65B.133, Subd. 3	<b>Disclosure to policyholders.</b> Regarding Automobile insurance. Requires company disclosure to insureds for car insurance of a surcharge disclosure statement or written notice of the statement's availability on the insurer's website.	8-1-09
37	65B.133, Subd. 4	<b>Notification of change.</b> Regarding Automobile insurance. Requires company disclosure to insureds of a change in its surcharge plan unless a surcharge disclosure statement or written notice of the statement's availability on the insurer's website	8-1-09
38	65B.54, Subd. 1	<b>Payment of basic economic loss benefits.</b> Regarding payment of No-Fault (PIP) medical benefits. Claims by a health provider shall be submitted to the insured's automobile insurance carrier via uniform electronic transaction standards required by M. S. 62J.536 (Uniform Electronic Transactions and Implementation Guide Standards.) and the rules promulgated under that section.	8-1-09
39	67A.191, Subd. 2	<b>Homeowner's Risks.</b> Provides that all portions of a combined homeowners' insurance policy are subject to the provisions of section 72A.20 (Methods, Acts, and Practices Which Are Defined As Unfair or Deceptive), and 72A.201 (Regulation of Claims Practices). Clarifies that	8-1-09

		standards for claims handling practices apply to township mutuals. Township mutuals are now subject to the unfair trade practice section and the section concerning the regulation of claims practices.	
40	72A.20, Subd. 15	<b>Practices not Held to be Discrimination or Rebates.</b> Removes a reporting requirement with respect to an individual or group health insurance policy in which insureds elect to receive health care goods or services from providers designated by the insurer are reimbursed in differing amounts. New language allows the offering of incentives to individuals for taking part in preventive health care services, medical management incentive programs, or activities designed to improve the health of the individual.	8-1-09
41	72A.20, Subd. 26	<b>Loss Experience.</b> Specifies that when loss experience data is reported, actual claims paid on behalf of an insured must be reported separately from claims incurred but not paid, pooling charges for catastrophic claim protection, and any other administrative fees or charges that may be charged as an incurred claim expense. This provision is located in a section of law that regulates insurance trade practices.	8-1-10
42	72A.201, New Subd. 14	<b>Uniform electronic transaction standards.</b> Uniform electronic transaction standards apply to property & casualty coverage. Claims for medical expenses under a property and casualty insurance policy are subject to the uniform electronic transaction standards required by section 62J.536 and shall be submitted to an insurer by a health care provider subject to that section pursuant to the uniform electronic transaction standards and rules promulgated under that section.	8-1-09
43	New 72A.204	<b>Prohibited Uses of Senior-Specific Certifications and Professional Designations.</b> Provides standards to protect consumers from misleading and fraudulent marketing practices with respect to senior-specific certifications and professional designations in connection with life insurance and annuity products. Prohibits unfair and deceptive practices and specified senior-specific certifications and professional designations.	8-1-09
44	79A.04, Subd. 1	<b>Annual Securing of Liability.</b> Modifies the way a new deposit of security must be posted, with respect to a private self-insuring employer's annual requirement to secure incurred liabilities for the payment of compensation and the performance of obligations under the Workers' Compensation law.	5-23-09
45	79A.04, New Subd. 2a	<b>Exceptions.</b> Provides that notwithstanding the requirements of subdivisions 1 and 2, the Commissioner of Commerce may, until the next annual securing of liability, adjust this required security deposit for the portion attributable to the current year only, if in the Commissioner's judgment, the self-insurer will be able to meet its obligations under the Workers' Compensation Self-Insurance law until the next annual securing of liability. This is with respect to private self-insurance employers.	5-23-09
46	79A.06, New Subd. 7	<b>Insolvency of Self-Insurance Group Insurer.</b> Specifies how eligibility for Chapter 60C (Insurance Guaranty Association) coverage under a policy will be determined in the event of the insolvency of an insurer of a self-insurance group that is issued a policy under Minnesota Statutes, section 79A.06, subdivision 5 (Private Employer Who Has Ceased to be Self-Insured). This section is with respect to workers' compensation self-insurance.	5-23-09
47	79A.24, Subd. 1	<b>Annual Securing of Liability.</b> Modifies the way a new deposit must be posted, with respect to a commercial self-insurance group's annual requirement to secure its estimated future liability for the payment of compensation and the performance of obligations under the Workers'	5-23-09

		Compensation law.	
48	79A.24, New Subd. 2a	<b>Exceptions.</b> Provides that notwithstanding the requirements of subdivisions 1 and 2, the Commissioner of Commerce may, until the next annual securing of liability, adjust this required security deposit for the portion attributable to the current year only, if in the Commissioner's judgment, the self-insurer will be able to meet its obligations under the Workers' Compensation Self-Insurance law until the next annual securing of liability. This is with respect to commercial self-insurance groups.	5-23-09
49	New 80A.91	<b>Agent Errors and Omissions Insurance. Choice of Source.</b> Adds language to state that an insurance company shall not require an insurance agent to maintain insurance coverage for the agent's errors and omissions from a specific insurance company.	8-1-09
50	82.31, Subd. 4	<b>Corporate and Partnership Licenses.</b> Regarding Real Estate licensing. Clarifies in Minn. Stat. 82.31, Subd. 4, that a partner in a partnership who maintains a salespersons' license may not to exercise any authority over any account administered by the broker nor may they be vested with any supervisory authority over the a broker.	8-1-09
51	New 82B.071	<b>Records.</b> Regarding Real Estate appraisers. Adds new provision to chapter 82B, (82B.071). Real Estate Appraisers relating to recordkeeping requirements to conform with Federal requirements. Establishes that the commissioner may examine each real estate appraiser's records as is necessary to enforce the provisions of chapter 82B. Adds a new provision relating to record retention requiring a licensed appraiser to maintain records for a period of 5 years after the preparation or at least two years after final disposition of any judicial proceedings in which the appraiser provided testimony or was the subject of litigation related to the assignment, whichever period expires last.	8-1-09
52	82B.08, New Subd. 3a	<b>Initial Application.</b> Establishes new notification requirements for trainee and supervisory appraisers. Requires that trainees a) identify the name and address of their supervisory appraiser(s), and b) notify the department upon changing or terminating their relationships with a supervisory appraiser. Requires that appraisers who intend to act as a supervisory appraiser a) identify trainee appraisers they intend to supervise.	8-1-09
53	New 82B.093	<b>Trainee Real Property Appraiser.</b> New requirement that establishes that a trainee real property appraisers shall be subject to direct supervision by a certified residential real property appraiser or general real property appraiser in good standing. Establishes that a trainee may have more than one supervising appraiser but that the trainee is limited to appraisal assignments that the supervising appraiser is qualified and competent to appraise. Requires certain records to be maintained by the trainee.	8-1-09
54	New 82B.094	<b>Supervision of Trainee Real Property Appraisers.</b> Establishes new requirements for certified residential real property appraisers or certified general real property appraisers who intend to act as a supervisory appraiser.	8-1-09
55	82B.20, Subd. 2	<b>Conduct Prohibited.</b> New prohibited practices provision added – No person, including a mortgage originator, appraisal management company, real estate broker or salesperson, appraiser, or other licensee, registrant, or certificate holder regulated by the Commissioner may to improperly influence or attempt to improperly influence the development, reporting, result, or review of a real estate appraisal.	8-1-09
56	319B.02, New Subd. 21a	<b>Surviving spouse.</b> Regarding a "Minnesota Professional Firm", this section is amended to add a definition for the surviving spouse of deceased professional and including status; as an individual, as the personal representative of	5-23-09

		the estate of the decedent, as the trustee, or as the sole heir or beneficiary of an estate or trust of which the personal representative or trustee is a bank or other institution that has trust powers.	
57	319B.07, Subd. 1	<b>Ownership of interests restricted.</b> Regarding Ownership interests in a professional firm New provision added to affect the sole ownership rights of a surviving spouse of a deceased professional who was the sole owner of the professional firm at the time of the professional's death, but for a specified period of time.	5-23-09
58	319B.08	<b>Effect of Death or Disqualification of Owner.</b> Regarding acquisition of interests or automatic loss of professional firm's status and the ownership rights of a surviving spouse of a deceased sole owner of a professional firm. New provision added to enable a one-year period for surviving spouse of sole owner instead of a 90 day period.	5-23-09
59	319B.09, Subd. 1	<b>Governance authority.</b> Regarding the governance authority in a professional firm. New language is added to allow for a surviving spouse of a deceased professional during the period of time ending one year after the death of the professional. The professional firm controlled by a surviving spouse must comply with all Minnesota requirements applicable to the professional firm.	5-23-09
60	325E.27	<b>Use of Prerecorded or Synthesized Voice Messages.</b> Regarding the use of prerecorded or synthesized voice messages. New language is added to exempt messages from nonprofit tax-exempt charitable organizations that are soliciting voluntary donations of clothing to benefit disabled United States military veterans and does not solicit monetary donations.	8-1-09
61	New 325E.3161	<b>Telephone Solicitations; Expiration Provision</b> The Do Not Call Statute will expire on December 31, 2012.	<b>Expires:</b> 12-31-12
62	332A.02, Subd. 13 (As amended by Laws 2009, chapter 37, article 4, section 12)	<b>Debt Settlement Services Provider.</b> Technical change to debt settlement section, modifies M. S. 332A.02, Subd. 13. Debt settlement services provider. "Debt settlement services provider" has the meaning given in section 332B.02, subdivision 14-13.	8-1-09
63	332A.14 (As amended by Laws 2009, chapter 37, article 4, section 17)	<b>Prohibitions.</b> Technical change to debt settlement section, adds the phrase "to a creditor" to M. S. 332A.14, Prohibitions (4).	8-1-09
64	332B.02, Subd. 13 (As amended by Laws 2009, chapter 37, article 4, section 19)	<b>Debt Settlement Services Provider.</b> Technical change to debt settlement section, replaces the word "duties" with "services"; modifies M.S. 332A.02 Prohibitions, Subd. 13. Debt Settlement Services Provider.	8-1-09
65	332B.03 (As amended by Laws 2009, chapter 37, article 4, section 20)	<b>Requirement of Registration.</b> Technical change to debt settlement section; replaces the word "debt" with "debtor"; modifies M. S. 332B.03 Requirement of Registration.	8-1-09
66	332B.06 (As amended by Laws 2009, chapter 37, article 4, section 23)	<b>Written Debt Settlement Services Agreement; Disclosures; Trust Account.</b> Technical change to debt settlement section; adds the words "the provider"; to Subd 1 of M. S. 332B.06, Written Debt Settlement Services Agreement; Disclosures; Trust Account.	8-1-09
67	332B.09 (As amended by Laws 2009, chapter 37, article 4, section 26)	<b>Fees Withdrawal of Creditors Notification on to Debtor of Settlement Offer.</b> Technical change to debt settlement section; adds language to cap the fees paid according to a new formula; modifies Subd 2, Fees as a Percentage of Debt of M. S. 332B.09, Fees; Withdrawal of Creditors; Notification To Debtor of Settlement Offer.	8-1-09
68	Laws 2008, Chapter 315,	<b>Effective Date.</b> Regarding M. S. 332.70, Business Screening Services; Data Practices. This section	7-1-10



	<b>Section 19</b>	modifies the statute effective date from July 1 2009 to July 1, 2010.	
<b>69</b>	<b>60A.201, Subd. 4; 70A.07; 79.56, Subd. 4</b>	<b>Repealer.</b> Repeals Minnesota Statutes 2008, sections 60A.201, subdivision 4 (Surplus Lines Lists of unavailable lines of insurance; maintenance) ; 70A.07 (Rates and Forms Open to Inspection); and 79.56, subdivision 4 (Filing Rates and Rating Information; Public inspection) are repealed.	<b>8-1-09</b>
<b>70</b>		<b>Effective Date; Application.</b> Provides effective dates for the Act as specified. Section 25 is effective for all policies with policy years beginning on or after May 21, 2009.Sections 26 to 30 apply to plans and certificates with an effective date for coverage on or after June 1, 2010.Sections 44 to 48 are effective the day following final enactment.	<b>Various</b>
<b>ARTICLE 2</b>			
<b>1</b>	<b>13.3215</b>	<b>University of Minnesota Data.</b> This change affects the University of Minnesota and specifies which data is public and non public. Financial, business, or proprietary data collected, created, received, or maintained by the University of Minnesota in connection with investments are nonpublic data.	<b>5-23-09</b>
<b>2</b>	<b>13.716, New Subd. 8</b>	<b>Insurance filings data.</b> Specifies the public data status of forms filed for life and health and property and casualty, including worker compensation	<b>8-1-09</b>

# AMERICAN RECOVERY and REINVESTMENT ACT OF 2009 (ARRA) & MN COBRA SUBSIDY BILLS

The American Recovery and Reinvestment Act of 2009 (ARRA) provides a 65% federal subsidy for COBRA premiums for 9 months for individuals/families who involuntarily terminated employment between Sept. 1, 2008 and Dec 31, 2009.

For individuals who terminated employment between Sept. 1, 2008 and Feb. 16, 2009 and who couldn't afford the COBRA premiums, they will be eligible for a second chance to accept COBRA again and receive the 65% premium subsidy, if they were covered under federal COBRA (employers with 20 or more employees).

State's COBRA statute (62A.17) that pertains to employers with less than 20 employees was amended by SF1904 and HF1853 to make MN employees and family members eligible for the second chance federal 65% subsidy.

Additionally, HF1362 will provide a 35% state subsidy for individuals/families that are eligible for the 65% federal subsidy, who elect the COBRA continuation coverage and are eligible for MN public health care programs (MA, MNCare or GAMC).

## CHAPTER 33, LAWS 2009 Provisions amending MN Statute 62A.17 Signed by the Governor: May 6, 2009

ARTICLE	SECTION	STATUTE	SUBJECT	EFFECTIVE
1	1	62A.17, subd.5a	<b>Limited extension of continuation election period.</b> Permits involuntarily terminated employees of firms with less than 20 employees who originally turned down the COBRA continuation coverage to elect COBRA again and be eligible for the federal ARRA 65% premium subsidy.	5-7-09

## CHAPTER 178, LAWS 2009 Provisions amending MN Statute 62A.17 Signed by the Governor: May 14, 2009

ARTICLE	SECTION	STATUTE	SUBJECT	EFFECTIVE
1	22	62A.17, Subd.5b	<b>Notices required by the American Recovery and Reinvestment Act of 2009 (ARRA)</b> Clarifies when the employer or insurer must provide the notification required in 62A.17, subd.5a The employer must notify the health carrier of terminated employees within the later of 10 days after termination or June 8, 2009. For an employer with less than 20 employees, the health carrier must provide notices about the extended election rights and premium reductions to the individual within 30 days after the employer notifies them about terminated employees.	5-23-09